

**SCHOOL DISTRICT OF THE
BOROUGH OF CLIFFSIDE PARK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

**School District
of**

BOROUGH OF CLIFFSIDE PARK

**BOROUGH OF CLIFFSIDE PARK BOARD OF EDUCATION
Cliffside Park, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2012**

Comprehensive Annual Financial Report

of the

**BOROUGH OF CLIFFSIDE PARK
BOARD OF EDUCATION
Cliffside Park, New Jersey**

Year Ended June 30, 2012

Prepared by

**James Mallen
Business Administrator/Board Secretary**

OUTLINE OF CAFR

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INTRODUCTORY SECTION

**BOARD OF EDUCATION
BOROUGH OF CLIFFSIDE PARK
NEW JERSEY 07010**

*Michael J. Romagnino
Superintendent of Schools*

*The Municipal Complex
525 Palisade Avenue*

*James Mallen
Interim Business Administrator
Board Secretary*

*TEL: 201-313-2300
FAX: 201-943-7050*

November 19, 2012

Honorable President and Members of the
Cliffside Park Board of Education
525 Palisade Avenue
Cliffside Park, New Jersey 07010

Dear Board Members,

State Department of Education statutes require that all school districts prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive Annual Financial Report (CAFR) of the Cliffside Park Board of Education for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the Cliffside Park Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Cliffside Park Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the Cliffside Park Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Cliffside Park Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Cliffside Park Board of Education's financial statements have been audited by Ferraioli, Wielkottz, Cerullo, & Cuva, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance the financial statements Cliffside Park Board of Education for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cliffside Park Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair

presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Cliffside Park Board of Education's CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Cliffside Park Board of Education's MD&A can be found immediately following the independent auditors' report.

REPORTING ENTITY AND ITS SERVICES: The Cliffside Park School District is an independent reporting entity within the criteria adopted by Governmental Accounting Standards Board (GASB) as established by GASB No. 14. All funds of the District are included in this report. The Cliffside Park Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level PK through 12. These include regular, vocational as well as special education for disabled youngsters. The District completed the 2011/2012 fiscal year with 2,779 students, which is 39 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2002-2003	2,669	1.0
2003-2004	2,590	(2.0)
2004-2005	2,558	(1.3)
2005-2006	2,606	1.8
2006-2007	2,572	(1.3)
2007-2008	2,587	(.04)
2008-2009	2,647	2.3
2009-2010	2,760	4.2
2010-2011	2,740	(2.0)
2011-2012	2,779	1.4

ECONOMIC CONDITION AND OUTLOOK: The local economy of the Cliffside Park area is relatively stable and is expected to continue at that level. The Borough's economy is mainly comprised of retail stores and light industry. The present structure is expected to remain unchanged in the future.

MAJOR INITIATIVES: The Cliffside Park Board of Education recognizes its responsibility to provide a broad educational program consistent with the mental and physical potential of every child in our community. The Board believes that each individual should be accepted into our educational program as he/she is and be provided with a stimulating environment and opportunities for learning experiences designed to promote behavioral changes that will affect satisfactory adjustments to life. In addition to meeting the special needs of our students the high school offers preparation for entrance to college, technical and sub-professional schools. The high school also offers college courses that focus on the sciences, mathematics, foreign languages and social studies. Many accelerated and advanced placement courses are also available in all subject areas.

Cliffside Park is a charter member of the Bergen County ITV Consortium and is accredited by the New Jersey Department of Education and the Middle States Association of Colleges and Secondary Schools. Our students consistently test above the state and national averages and have been accepted into colleges throughout the United States.

A full range of educational support services are available to all students i.e. guidance services, health services in each school, certified nurses, full Child Study Team, in addition to a PK through 12 ESL program.

The Superintendent has received and initiated, with the Board's approval, the following programs:

EARLY CHILDHOOD: Half-day Pre-K and kindergarten.

MATH CURRICULUM: The Cliffside Park School District uses the SRA/McGraw Hill Mathematics series which parallels the Core Curriculum Standards. This series emphasizes open-ended questions and critical thinking problems that are key components to state assessments.

READING CURRICULUM: The Cliffside Park School District uses the McGraw Hill Reading series which parallels the Core Curriculum Standards with emphasis on writing and literacy. This series enables teachers to meet individual needs of all students at all levels. The District continues to develop a balanced literacy curriculum.

GIFTED AND TALENTED: A Gifted and Talented program is available in the Cliffside Park Schools with an emphasis on computer technology. The program begins on a pull-out basis in grades three through eight and is completed at the high school level (grades 9-12) in our advanced placement and other accelerated offerings.

TESTING: NJASK (grades three through eight, and the HSPA (grade 11) are required under NCLB. Other standardized tests given within the District include NJPass, Boehm Test, and the Otis Lennon Ability Test.

PROFESSIONAL DEVELOPMENT: The District's teaching staffs are currently undertaking professional development in reading and writing literacy, technology, substance abuse program, violence/vandalism prevention and affirmative action guidelines.

INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the

benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual budgets are adopted for the General, Special Revenue and Debt Service Funds. The final budget amounts as amended for the fiscal year are reflected in the financial section.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board, (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Basic Financial Statements".

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation of fund balance at June 30.

PROPRIETARY FUND: The Enterprise Food Service fund provides for the operation of food services in all schools within the school district. This full service breakfast and lunch program operates successfully with no costs for the school district or the taxpayers of Cliffside Park.

FIDUCIARY FUNDS: Fiduciary Funds consist of assets held by the district as agent for student organizations, private organizations, other governments and other funds.

DEBT ADMINISTRATION: On July 15, 1999 the District issued \$5,400,000 of bonds to finance a capital improvement referendum approved by the District's voters on December 8, 1998 which were refunded on July 15, 2006. At June 30, 2012 \$2,770,000 of the school bonds were outstanding.

CASH MANAGEMENT: The investment policy of the District is guided in large part by the state statute as detailed in the "Notes to the Basic Financial Statements", the District has adopted has a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. The District provides its employee full medical insurance through traditional health insurance plan.

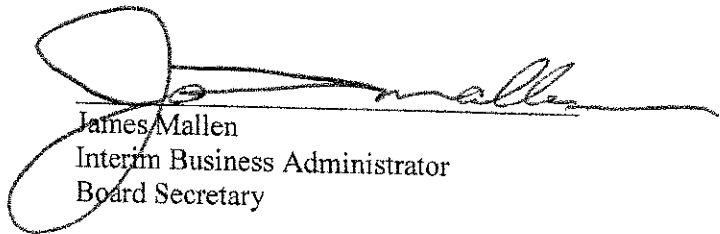
OTHER INFORMATION: A. Independent Audit -- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkott, Cerullo, & Cuva was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey Circular 04-04. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' report related specifically to the Single Audit is included in the Single Audit Section of this report.

ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Cliffside Park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



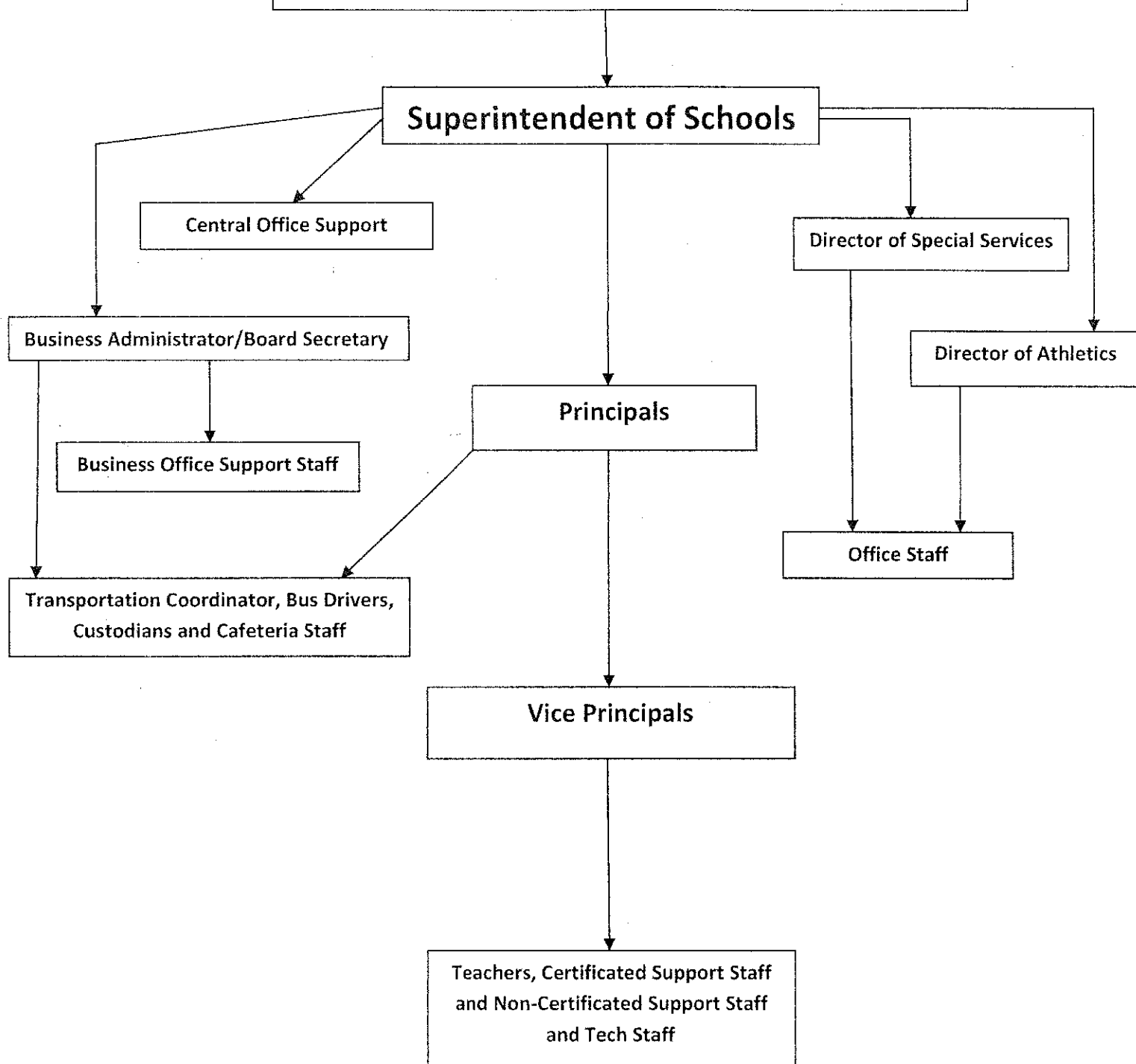
Michael J. Romagnino
Superintendent of Schools



James Mallen
Interim Business Administrator
Board Secretary

ORGANIZATIONAL CHART

CLIFFSIDE PARK BOARD OF EDUCATION



CLIFFSIDE PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Capano	2014
Joseph J. Cota	2012
Stephen D. Dobish, Ed. D.	2012
Lisa Frato	2013
Samuel Martone	2013
Christopher Moutenot	2012
Annette C. Scala	2014
Teddy F. Tarabokija	2014
Gina M. Vaccaro	2013

Other Officials

Fairview Representative, Angelo D' Arminio

Michael J. Romangnino, Superintendent of Schools

Toni Ann Nebbia, Business Administrator/Board Secretary

Michael J. Romagnino, Acting Board Secretary (11/16/11 - 6/30/12)

Frank Berardo, Treasurer of School Monies

Fogarty & Hara, Board Attorney

CLIFFSIDE PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2012

Attorney

FOGARTY & HARA
16-00 Route 208 South
Fair Lawn, NJ 07410

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

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354 Palisade Avenue
Cliffside Park, NJ 07010

FINANCIAL SECTION

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Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Cliffside Park School District
County of Bergen, New Jersey
Cliffside Park, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Cliffside Park School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

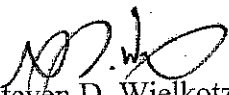



In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 21 and 54 through 60 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Cliffside Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 16, 2012



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

As management of the Borough of Cliffside Park School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Cliffside Park School District for the fiscal year ended June 30, 2012.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$1,478,568. Net assets of governmental activities increased \$1,325,717 while net assets of business-type activity increased by \$152,851.
- General revenues accounted for \$40,994,440 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,296,504 or 7 percent of total revenues of \$44,290,944.
- The School District had \$41,095,278 in expenses related to governmental activities; only \$1,426,555 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$40,994,440 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Cliffside Park School District's basic financial statements. The Borough of Cliffside Park School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Cliffside Park School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Borough of Cliffside Park School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Borough of Cliffside Park School District is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Cliffside Park School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Cliffside Park School District include instruction, support services and special schools. The business-type activities of the Borough of Cliffside Park School District include the food service program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Cliffside Park School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Cliffside Park School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Cliffside Park School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Cliffside Park School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Borough of Cliffside Park School District maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Cliffside Park School District uses enterprise funds to account for its food service program and after school program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Cliffside Park School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$8,927,879 at June 30, 2012 and \$7,449,311 at June 30, 2011. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2012 compared to 2011 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current and Other Assets	6,007,977	4,514,022	538,674	368,266	6,546,651	4,882,288
Capital Assets	<u>7,123,291</u>	<u>7,517,435</u>	<u>27,689</u>	<u>38,318</u>	<u>7,150,980</u>	<u>7,555,753</u>
Total Assets	<u>13,131,268</u>	<u>12,031,457</u>	<u>566,363</u>	<u>406,584</u>	<u>13,697,631</u>	<u>12,438,041</u>
Liabilities						
Current Liabilities	539,151	287,790	101,864	94,936	641,015	382,726
Noncurrent Liabilities	<u>4,128,737</u>	<u>4,606,004</u>	<u>—</u>	<u>—</u>	<u>4,128,737</u>	<u>4,606,004</u>
Total Liabilities	<u>4,667,888</u>	<u>4,893,794</u>	<u>101,864</u>	<u>94,936</u>	<u>4,769,752</u>	<u>4,988,730</u>
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	4,179,066	4,199,337	27,689	38,318	4,206,755	4,237,655
Restricted	4,801,277	3,271,002			4,801,277	3,271,002
Unrestricted	<u>(516,963)</u>	<u>(332,676)</u>	<u>436,810</u>	<u>273,330</u>	<u>(80,153)</u>	<u>(59,346)</u>
Total Net Assets	<u>8,463,380</u>	<u>7,137,663</u>	<u>464,499</u>	<u>311,648</u>	<u>8,927,879</u>	<u>7,449,311</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2012 compared to 2011.

**Table 2
Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			1,048,229	953,402	1,048,229	953,402
Operating Grants and						
Contributions	1,426,555	1,720,569	821,720	792,879	2,248,275	2,513,448
Capital Grants and						
Contributions	49,863	360,862			49,863	360,862
General Revenues:						
Taxes:						
Property taxes	28,303,814	27,757,411			28,303,814	27,757,411
Federal and State Aid not						
Restricted	6,325,802	5,590,059			6,325,802	5,590,059
Tuition Received	5,914,129	6,922,484			5,914,129	6,922,484
Miscellaneous Income	<u>400,832</u>	<u>687,763</u>	<u> </u>	<u> </u>	<u>400,832</u>	<u>687,763</u>
Total Revenues and Transfers	<u>42,420,995</u>	<u>43,039,148</u>	<u>1,869,949</u>	<u>1,746,281</u>	<u>44,290,944</u>	<u>44,785,429</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functions/Program Expenses						
Instruction:						
Regular	17,971,833	17,744,712			17,971,833	17,744,712
Special Education	4,667,377	4,075,643			4,667,377	4,075,643
Other Special Education	804,050	751,847			804,050	751,847
Other Instruction	562,083	730,640			562,083	730,640
Support Services:						
Tuition	1,552,981	1,662,115			1,552,981	1,662,115
Student & Instruction						
Related Services	4,368,088	4,600,551			4,368,088	4,600,551
School Administrative						
Services	2,016,562	2,037,280			2,016,562	2,037,280
General Administrative						
Services	1,301,866	1,336,229			1,301,866	1,336,229
Central Services and Admin.						
Info. Tech.	727,758	658,999			727,758	658,999
Plant Operations and						
Maintenance	2,510,835	2,934,424			2,510,835	2,934,424
Pupil Transportation	1,047,315	1,103,550			1,047,315	1,103,550
Unallocated Benefits	2,974,168	2,364,279			2,974,168	2,364,279
Food Service			1,436,373	1,383,115	1,436,373	1,383,115
After School Program			280,725	177,538	280,725	177,538
Charter Schools	30,224	11,177			30,224	11,177
Interest on Long-Term Debt	120,544	127,668			120,544	127,668
Unallocated Depreciation	295,163	294,713			295,163	294,713
Capital Outlay -						
Nondepreciable	<u>144,431</u>	<u>260,034</u>			<u>144,431</u>	<u>260,034</u>
Total Expenses and Transfers	<u>41,095,278</u>	<u>40,693,861</u>	<u>1,717,098</u>	<u>1,560,653</u>	<u>42,812,376</u>	<u>42,254,514</u>
Increase or (Decrease) in						
Net Assets	<u>1,325,717</u>	<u>2,345,287</u>	<u>152,851</u>	<u>185,628</u>	<u>1,478,568</u>	<u>2,530,915</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$42,812,376. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$28,303,814 because some of the cost was paid by those who benefitted from the programs \$1,048,229, by other governments and organizations who subsidized certain programs with grants and contributions \$2,248,275, unrestricted federal and state aid \$6,325,802, federal and state aid capital outlay \$49,863, tuition received \$5,914,129, and by miscellaneous sources \$400,832.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2012, and the amount and percentage of increases/(decreases) relative to the prior year.

Schedule of Change in Governmental Fund Revenue and Expenditures

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$34,639,775	81.6%	(\$727,833)	(2.06)%	\$35,367,658
State Source	6,471,378	15.3	348,337	5.69%	6,122,991
Federal Source	<u>1,309,842</u>	<u>3.1</u>	<u>(238,657)</u>	(15.41)%	<u>1,548,499</u>
Total	<u>\$42,420,995</u>	<u>100.0%</u>	<u>(\$618,153)</u>	(1.44)%	<u>\$43,039,148</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$18,325,092	44.5%	\$572,676	3.23%	\$17,752,416
Undistributed	22,273,660	54.1	(104,117)	(.47)%	22,377,777
Debt Service	425,437	1.0	(326)	(.08)%	425,763
Capital Outlay	<u>159,105</u>	<u>0.4</u>	<u>(775,253)</u>	(82.97)%	<u>934,358</u>
Total	<u>\$41,183,294</u>	<u>100.0%</u>	<u>(\$307,020)</u>	(.74)%	<u>\$41,490,314</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2012, the School District amended the general fund by \$4,166 for increases in federal grants. The District also amended the special revenue fund by \$593,346 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$40,603,614. That amount is \$3,801,354 above the final amended budget of \$36,802,260. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,077,562 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$598,515, and a \$125,277 excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$39,291,499 including transfers which is \$2,140,294 above the final amended budget of \$37,151,205. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$3,077,562 for TPAF pension and social security reimbursements, and \$937,268 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$40,603,614 and total expenditures of \$39,291,499 with an ending fund balance of \$5,627,559 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$1,639,094. That amount is \$174,287 below the final amended budget of \$1,813,381. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,639,094, which is \$174,287 below the final amended budget of \$1,813,381. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012 the School District had \$16,461,733 invested in sites, buildings, equipment and construction in progress. Of this amount \$9,310,753 in depreciation has been taken over the years. We currently have a net book value of \$7,150,980. Total additions for the year were \$14,674, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2012 balances compared to 2011.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Construction in Progress	561,220	561,220			561,220	561,220
Buildings and Improvements	6,127,152	6,310,096			6,127,152	6,310,096
Furniture, Equipment and Vehicles	229,113	318,949	\$27,689	\$38,318	256,802	357,267
Land Improvements	<u>17,138</u>	<u>138,502</u>	<u> </u>	<u> </u>	<u>17,138</u>	<u>138,502</u>
	<u>\$7,123,291</u>	<u>\$7,517,435</u>	<u>\$27,689</u>	<u>\$38,318</u>	<u>\$7,150,980</u>	<u>\$7,555,753</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Debt Administration

At June 30, 2012, the District had \$4,128,737 of outstanding debt. Of this amount, \$1,184,512 is for compensated absences; \$73,192 is for various capital leases; and \$2,871,033 of serial bonds for school construction and related refunding costs.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2012</u>	<u>2011</u>
2001 School Improvement Bonds	<u>\$2,770,000</u>	<u>\$3,070,000</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2012-2013 school year that is higher than the level of the 2011-2012 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2012-2013 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Cliffside Park School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

James Mallen
School Business Administrator
Borough of Cliffside Park School District
525 Palisade Avenue
Cliffside Park, NJ 07010

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	3,497,379	487,481	3,984,860
Receivables, net	2,391,471	45,163	2,436,634
Inventory		6,030	6,030
Restricted assets:			
Capital reserve account - cash	119,127		119,127
Capital assets, net: Land and construction in progress	749,888		749,888
Other capital, net	6,373,403	27,689	6,401,092
Total Assets	<u>13,131,268</u>	<u>566,363</u>	<u>13,697,631</u>
LIABILITIES			
Accounts payable and accrued liabilities	458,219	27,373	485,592
Interfunds payable		74,491	74,491
Payable to state government	51		51
Deferred revenue	80,881		80,881
Noncurrent liabilities:			
Due within one year	355,562		355,562
Due beyond one year	3,773,175		3,773,175
Total liabilities	<u>4,667,888</u>	<u>101,864</u>	<u>4,769,752</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,179,066	27,689	4,206,755
Restricted for:			
Special Revenue	26,388		26,388
Capital projects	1,821,490		1,821,490
Debt service	1		1
Other purposes	2,953,398		2,953,398
Unrestricted (Deficit)	(516,963)	436,810	(80,153)
Total net assets	<u>8,463,380</u>	<u>464,499</u>	<u>8,927,879</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	13,913,473	4,058,360		1,271,267		(16,700,566)		(16,700,566)
Special education	3,438,197	1,229,180				(4,667,377)		(4,667,377)
Other special instruction	592,390	211,660				(804,050)		(804,050)
Other instruction	445,548	116,535				(562,083)		(562,083)
Support services:								
Tuition	1,552,981					(1,552,981)		(1,552,981)
Health Services	387,174	136,382				(523,556)		(523,556)
Student & instruction related services	3,128,562	715,970		155,288		(3,689,244)		(3,689,244)
School administrative services	1,488,071	528,491				(2,016,562)		(2,016,562)
General administrative services	1,192,744	109,122				(1,301,866)		(1,301,866)
Central services and administrative information technology	541,295	186,463				(727,758)		(727,758)
Plant operations and maintenance	2,113,758	397,077				(2,510,835)		(2,510,835)
Pupil transportation	832,621	387,077				(1,047,315)		(1,047,315)
Unallocated benefits	2,974,168	214,694				(2,974,168)		(2,974,168)
Charter Schools	30,224					(30,224)		(30,224)
Capital outlay - non-depreciable	144,431					(144,431)		(144,431)
Interest on long-term debt	120,544					(120,544)		(120,544)
Unallocated depreciation/amortization	295,163					(295,163)		(295,163)
Total governmental activities	33,191,344	7,903,934	-	1,426,555	-	(39,668,723)	-	(39,668,723)
Business-type activities:								
Food Service	1,436,373		769,016	821,720	-		154,363	154,363
After School Program	280,725		279,213				(1,512)	(1,512)
Total business-type activities	1,717,098		1,048,229	821,720	-		152,851	152,851
Total primary government	34,908,442		1,048,229	2,248,275	-	(39,668,723)	152,851	(39,515,872)
General revenues:								
Taxes:								
Levied for general purposes								
Taxes levied for debt service								
Federal and State aid not restricted								
Federal and State aid - Capital Outlay								
Tuition received								
Miscellaneous Income								
Total general revenues, special items, extraordinary items and transfers								
Change in Net Assets								
Net Assets—beginning								
Net Assets—ending								

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CLIFFSIDE PARK BOARD OF EDUCATION

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	3,619,503			1	3,619,504
Accounts Receivable -					
Interfunds	231,201				231,201
Intergovernmental - State	230,755		224,488		455,243
Intergovernmental - Federal	50,351	196,356			246,707
Intergovernmental - Other	1,585,348				1,585,348
Restricted cash and cash equivalents					
Capital reserve	119,127				119,127
Total assets	<u>5,836,285</u>	<u>196,356</u>	<u>224,488</u>	<u>1</u>	<u>6,257,130</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in Cash			122,125		122,125
Accounts payable	378,833	26,787			405,620
Intergovernmental accounts payable - State		51			51
Interfund payables		127,028			127,028
Deferred revenue	64,779	16,102			80,881
Total liabilities	<u>443,612</u>	<u>169,968</u>	<u>122,125</u>	<u>-</u>	<u>735,705</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	914,731				914,731
Excess Surplus - prior year - designated for subsequent year's expenditures	1,422,639				1,422,639
Capital reserve account	1,719,127				1,719,127
Committed to:					
Year-end Encumbrances	245,783				245,783
Assigned to:					
Designated by the BOE for subsequent year's expenditures	370,245				370,245
Special Revenue Fund		26,388			26,388
Capital projects fund			102,363		102,363
Debt service fund				1	1
Unassigned:					
General Fund	720,148				720,148
Total Fund balances	<u>5,392,673</u>	<u>26,388</u>	<u>102,363</u>	<u>1</u>	<u>5,521,425</u>
Total liabilities and fund balances	<u>5,836,285</u>	<u>196,356</u>	<u>224,488</u>	<u>1</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,215,136 and the accumulated depreciation is \$9,091,845

7,123,291

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds

(52,599)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(4,128,737)

Net assets of governmental activities

8,463,380

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	27,882,960			420,854	28,303,814
Tuition charges	5,914,129				5,914,129
Miscellaneous	400,832	21,000			421,832
Total - Local Sources	34,197,921	21,000	-	420,854	34,639,775
State sources	6,128,080	338,714		4,584	6,471,378
Federal sources	193,138	1,116,704			1,309,842
Total revenues	40,519,139	1,476,418	-	425,438	42,420,995
EXPENDITURES					
Current:					
Regular instruction	12,604,078	1,244,879			13,848,957
Special education instruction	3,438,197				3,438,197
Other special instruction	592,390				592,390
School sponsored/other instructional	445,548				445,548
Support services and undistributed costs:					
Tuition	1,552,981				1,552,981
Health services	387,174				387,174
Student & instruction related services	2,959,755	155,288			3,115,043
School administrative services	1,488,071				1,488,071
General administrative services	1,192,744				1,192,744
Central services & administrative information technology	541,295				541,295
Plant operations and maintenance	2,113,758				2,113,758
Pupil transportation	870,874				870,874
Unallocated benefits	7,903,934				7,903,934
On-behalf contributions	3,077,562				3,077,562
Transfer to Charter Schools	30,224				30,224
Debt service:					
Principal				300,000	300,000
Interest and other charges				125,437	125,437
Capital outlay	92,914	49,863	16,328		159,105
Total expenditures	39,291,499	1,450,030	16,328	425,437	41,183,294
Excess (Deficiency) of revenues	1,227,640	26,388	(16,328)	1	1,237,701
Net change in fund balances	1,227,640	26,388	(16,328)	1	1,237,701
Fund balance—July 1	4,165,033		118,691		4,283,724
Fund balance—June 30	5,392,673	26,388	102,363	1	5,521,425

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) 1,237,701

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(408,818)	
Depreciable Capital outlays	<u>14,674</u>	(394,144)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

General Bond Obligations	300,000	
Amortization Expense - Premiums	10,103	
Capital Lease Obligations	<u>63,770</u>	373,873

[For further illustration purposes only; use if applicable:]

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	57,492	
General Bond Obligations	<u>(52,599)</u>	4,893

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable		103,394
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Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in net assets of governmental activities		<u><u>1,325,717</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	410,415	77,066	487,481
Accounts receivable:			-
State	2,007		2,007
Federal	25,186		25,186
Other	17,970		17,970
Inventories	6,030		6,030
Total current assets	<u>461,608</u>	<u>77,066</u>	<u>538,674</u>
Noncurrent assets:			
Capital assets:			
Equipment	246,597		246,597
Less accumulated depreciation	(218,908)		(218,908)
Total capital assets (net of accumulated depreciation)	<u>27,689</u>	<u>-</u>	<u>27,689</u>
Total assets	<u>489,297</u>	<u>77,066</u>	<u>566,363</u>
Current Liabilities:			
Interfunds Payable		74,491	74,491
Accounts Payable	27,373		27,373
Total Liabilities	<u>27,373</u>	<u>74,491</u>	<u>101,864</u>
NET ASSETS			
Invested in capital assets net of related debt	27,689	-	27,689
Unrestricted	434,235	2,575	436,810
Total net assets	<u>461,924</u>	<u>2,575</u>	<u>464,499</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	448,499		448,499
Daily sales - non-reimbursable programs	320,517		320,517
Program Fees		279,213	279,213
Total operating revenues	<u>769,016</u>	<u>279,213</u>	<u>1,048,229</u>
Operating expenses:			
Cost of sales	594,772		594,772
Salaries	437,368	276,375	713,743
Employee Benefits	214,871		214,871
Supplies and materials	53,424	1,398	54,822
Purchased Services	83,226		83,226
Depreciation expense	10,629		10,629
Repairs and other expenses	42,083	2,952	45,035
Total Operating Expenses	<u>1,436,373</u>	<u>280,725</u>	<u>1,717,098</u>
Operating income (loss)	<u>(667,357)</u>	<u>(1,512)</u>	<u>(668,869)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,823		15,823
Snack program	25,094		25,094
Federal sources:			
National school lunch program	643,216		643,216
Breakfast program	106,101		106,101
U.S.D.A. Commodities	31,486		31,486
Total nonoperating revenues (expenses)	<u>821,720</u>	<u>-</u>	<u>821,720</u>
Income (loss) before contributions & transfers	<u>154,363</u>	<u>(1,512)</u>	<u>152,851</u>
Total net assets—beginning	<u>307,561</u>	<u>4,087</u>	<u>311,648</u>
Total net assets—ending	<u>461,924</u>	<u>2,575</u>	<u>464,499</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	777,692	279,213	1,056,905
Payments to suppliers	(1,413,146)	(252,484)	(1,665,630)
Net cash provided by (used for) operating activities	(635,454)	26,729	(608,725)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	40,853		40,853
Federal Sources	762,601		762,601
Net cash provided by (used for) non-capital financing activities	803,454	-	803,454
Net increase (decrease) in cash and cash equivalents	168,000	26,729	194,729
Balances—beginning of year	242,415	50,337	292,752
Balances—end of year	410,415	77,066	487,481
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(667,357)	(1,512)	(668,869)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,629		10,629
Food Distribution Program	31,486		31,486
(Increase) decrease in accounts receivable, net	8,675		8,675
(Increase) decrease in inventories	2,426		2,426
Increase (decrease) in accounts payable	(21,313)	28,241	6,928
Total adjustments	(635,454)	26,729	(608,725)
Net cash provided by (used for) operating activities	(635,454)	26,729	(608,725)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	14,395	1,905	387,326
Interfund Receivable	95,282		
Accounts Receivable			40,086
Total assets	<u>109,677</u>	<u>1,905</u>	<u>427,412</u>
LIABILITIES			
Payable to student groups			109,507
Due to other funds			124,964
Due to State - Unemployment	30,151		
Payroll deductions and withholdings			192,941
Total liabilities	<u>30,151</u>	<u>-</u>	<u>427,412</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	79,526		
Reserved for scholarships		1,905	
	<u>79,526</u>	<u>1,905</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		11,000
Payroll withholdings	32,180	
District contributions	40,000	
Total Contributions	<u>72,180</u>	<u>11,000</u>
DEDUCTIONS		
Unemployment claims	143,713	
Scholarships awarded		9,500
Total deductions	<u>143,713</u>	<u>9,500</u>
Change in net assets	(71,533)	1,500
Net assets—beginning of the year	<u>151,059</u>	<u>405</u>
Net assets—end of the year	<u><u>79,526</u></u>	<u><u>1,905</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education ("Board") of the Borough of Cliffside Park School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Cliffside Park School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members and a Borough of Maywood Representative, all elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Cliffside Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund and the After School Program.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Compensated Absences, (continued):

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Fund Balances: (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were not allocated. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$-0- of the District's bank balance of \$5,920,091 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund <u>Fund</u>	District Wide Financial <u>Statements</u>
Tax Levy	\$254,639	\$	\$254,639
Interfunds	231,201		104,173
State Aid	455,243	2,007	457,250
Federal Aid	246,707	25,186	271,893
Other	<u>1,330,709</u>	<u>17,970</u>	<u>1,348,679</u>
Gross Receivables	2,518,499	45,163	2,436,634
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,518,499</u>	<u>\$45,163</u>	<u>\$2,436,634</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY

Balances due to/from other funds at June 30, 2012 consist of the following:

\$8,315	Due to the General Fund from the Agency Fund for cash transfers made in error.
21,367	Due to the General Fund from the Agency Fund for prior years accumulated interest earnings.
74,491	Due to the General Fund from the After School Program for reimbursement of expenditures paid.
95,282	Due to the Unemployment Compensation Trust Fund from the Agency Fund for employee deductions not turned over.
<u>127,028</u>	Due to the General Fund from the Special Revenue Fund to cover cash deficit.
<u>\$326,483</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>6/30/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2012</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	<u>561,220</u>	<u> </u>	<u> </u>	<u>561,220</u>
Total capital assets not being depreciated	<u>749,888</u>	<u> </u>	<u> </u>	<u>749,888</u>
 Building and building improvements	12,851,799			12,851,799
Machinery and equipment	1,374,765	14,674		1,389,439
Land Improvements	<u>1,224,010</u>	<u> </u>	<u> </u>	<u>1,224,010</u>
Totals at historical cost	<u>15,450,574</u>	<u>14,674</u>	<u> </u>	<u>15,465,248</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,541,703)	(182,944)		(6,724,647)
Machinery and Equipment	(1,055,816)	(104,510)		(1,160,326)
Land Improvements	<u>(1,085,508)</u>	<u>(121,364)</u>	<u> </u>	<u>(1,206,872)</u>
Total accumulated depreciation	<u>(8,683,027)</u>	<u>(408,818)</u>	<u> </u>	<u>(9,091,845)</u>
Total capital assets being depreciated, net of accumulation	<u>6,767,547</u>	<u>(394,144)</u>	<u> </u>	<u>6,373,403</u>
Governmental activities capital assets, net	<u>7,517,435</u>	<u>(394,144)</u>	<u> </u>	<u>7,123,291</u>
 Business-type activities:				
Equipment	246,597			246,597
Less accumulated depreciation for:				
Equipment	<u>(208,279)</u>	<u>(10,629)</u>	<u> </u>	<u>(218,908)</u>
Business-type activities capital assets, net	<u>\$38,318</u>	<u>(\$10,629)</u>	<u>\$</u>	<u>\$27,689</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$64,516
Support Service:	
Student & Instruction Related Services	13,519
Student Transportation	25,517
Unallocated Depreciation	<u>305,266</u>
	<u>\$408,818</u>

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Advance and Current Refundings of Debt

On July 15, 2006, the District issued \$3,680,000 in School District Refunding Bonds having an interest rate of 3.50% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$3,570,000 and the total interest payments defeased was \$1,514,853. The net proceeds of \$3,735,688 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$165,688. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2012 were as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,070,000	\$	\$(300,000)	\$2,770,000	\$310,000
Unamortized Premiums	<u>111,136</u>	<u> </u>	<u>(10,103)</u>	<u>101,033</u>	<u>10,103</u>
Total Bonds Payable	<u>3,181,136</u>	<u> </u>	<u>(310,103)</u>	<u>2,871,033</u>	<u>320,103</u>
Other Liabilities:					
Obligations Under Capital Lease	136,962		(63,770)	73,192	35,459
Compensated Absences Payable	<u>1,287,906</u>	<u>24,849</u>	<u>(128,243)</u>	<u>1,184,512</u>	<u> </u>
Total Other Liabilities	<u>1,424,868</u>	<u>24,849</u>	<u>(192,013)</u>	<u>1,257,704</u>	<u>35,459</u>
	<u>\$4,606,004</u>	<u>\$24,849</u>	<u>(\$502,116)</u>	<u>\$4,128,737</u>	<u>\$355,562</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligations bonds.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)

A. Bonds Payable:, (continued)

Outstanding bonds payable at June 30, 2012, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2012</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/201	<u>\$2,770,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$424,763	\$310,000	\$114,763
2014	428,488	325,000	103,488
2015	426,524	335,000	91,524
2016	419,205	340,000	79,205
2017	414,250	350,000	64,250
2018	<u>1,194,250</u>	<u>1,110,000</u>	<u>84,250</u>
	<u>\$3,307,480</u>	<u>\$2,770,000</u>	<u>\$537,480</u>

B. Capital Leases Payable:

The District is leasing various school buses under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$35,458	\$3,884	\$39,342
2014	27,657	1,765	29,422
2015	<u>10,077</u>	<u>425</u>	<u>10,502</u>
	<u>\$73,192</u>	<u>\$6,074</u>	<u>\$79,266</u>

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 8. OPERATING LEASES

The District is leasing a building in the Borough of Cliffside Park located at 247 Knox Ave for the purpose of operating the Early Childhood Center under noncancelable operating leases that expire in 2012. The District also has commitments to lease certain office equipment under operating leases that expire in 2016 and computer equipment that expire in 2015. Total operating lease payments made during the year ended June 30, 2012 were \$222,171. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$210,077
2014	206,595
2015	163,564
2016	89,456
2017	15,651
2018	<u>5,217</u>
	<u>\$690,560</u>

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 9. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/12	\$476,922
6/30/11	454,102
6/30/10	319,385

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 9. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	Post- Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/12	\$529,324	\$1,178,269	\$56,804
6/30/11		1,150,060	54,146
6/30/10		1,104,371	58,801

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$1,764,397 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,313,165 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 9. PENSION PLANS, (continued)

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	GALIC
Oppenheimer Funds	Security Benefit
First Investors	VALIC
MetLife	

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the

State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$40,000	\$32,180	\$143,713	\$79,526
2010-2011	350,000	27,518	253,610	151,059
2009-2010	77,750	34,606	110,610	27,151

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Cliffside Park Board of Education by inclusion of \$200,000 on June 24, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$1,719,127 in the capital reserve account at June 30, 2012.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, June 30, 2011	\$919,068
Deposits:	
Board Resolution - June 27, 2012	800,000
Interest Earnings	<u>59</u>
Ending balance, June 30, 2012	<u><u>\$1,719,127</u></u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$5,392,673 General Fund fund balance at June 30, 2012, \$245,783 is reserved for encumbrances; \$2,337,370 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,422,639 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$1,719,127 has been reserved in the Capital Reserve Account; \$370,245 has been appropriated and included as anticipated revenue for the year ended June 30, 2013; and \$720,148 is unreserved and undesignated.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$2,337,370 of which \$914,731 is the result of current year operations.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$4,404
Supplies	<u>1,626</u>
	<u>\$6,030</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 17. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. On November 5, 2012, the Board was notified by the State of New Jersey Department of Education that based upon an audit performed on the No Child Left Behind Title I Grant for the year ended August 31, 2011, the State has determined that there were \$133,874.47 in disallowed costs due back to the State. The Board will refund these funds through their 2012-2013 budget. Management is not aware of any other material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	27,882,960		27,882,960	27,882,960	
Tuition	6,009,684		6,009,684	5,914,129	(95,555)
Transportation Fees from Other LEAs	180,000		180,000	290,940	110,940
Interest Earned on Capital Reserve Funds				59	59
Unrestricted Miscellaneous Revenues				109,833	109,833
Total - Local Sources	<u>34,072,644</u>		<u>34,072,644</u>	<u>34,197,921</u>	<u>125,277</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,238,760		1,238,760	1,238,760	
Equalization Aid	1,295,233		1,295,233	1,407,245	112,012
Categorical Security Aid				258,233	258,233
Extraordinary Aid				230,755	230,755
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				1,707,593	1,707,593
On-behalf TPAF Pension NCGI Premium				56,804	56,804
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,313,165	1,313,165
Total - State Sources	<u>2,533,993</u>		<u>2,533,993</u>	<u>6,212,555</u>	<u>3,678,562</u>
ARRA - SFSF - ESF (Educ. State Grants)					
Education Jobs Fund	132,986	4,166	137,152	137,152	
Medicaid Administrative Claiming (MAC)				3,161	3,161
Special Education Medicaid Initiative	58,471		58,471	52,825	(5,646)
Total - Federal Sources	<u>191,457</u>	<u>4,166</u>	<u>195,623</u>	<u>193,138</u>	<u>(2,485)</u>
TOTAL REVENUES	<u>36,798,094</u>	<u>4,166</u>	<u>36,802,260</u>	<u>40,603,614</u>	<u>3,801,354</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	493,250	(32,795)	460,455	460,455	
Grades 1-5 - Salaries of Teachers	3,227,969	(5,680)	3,222,289	3,195,851	26,438
Grades 6-8 - Salaries of Teachers	1,737,978	10,767	1,748,745	1,747,574	1,171
Grades 9-12 - Salaries of Teachers	5,654,664	11,014	5,665,678	5,642,843	22,835
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	5,615	40,615	40,613	2
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	347,605	(75,283)	272,322	264,491	7,831
Other Purchased Services (400-500 series)	345,034	(64,661)	280,373	270,651	9,722
General Supplies	490,811	(3,443)	487,368	437,324	50,044
Textbooks	17,871	337,376	355,247	328,155	27,092
Other Objects	198,250	38,670	236,920	216,121	20,799
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>12,548,432</u>	<u>221,580</u>	<u>12,770,012</u>	<u>12,604,078</u>	<u>165,934</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	491,545	88,502	580,047	580,046	1
Other Salaries for Instruction	61,666	103,995	165,661	135,682	29,979
Total Learning and/or Language Disabilities	<u>553,211</u>	<u>192,497</u>	<u>745,708</u>	<u>715,728</u>	<u>29,980</u>
Behavioral Disabilities					
Salaries of Teachers	276,290	(64,664)	211,626	211,278	348
Other Salaries for Instruction	70,381	54,543	124,924	116,575	8,349
Total Behavioral Disabilities	<u>346,671</u>	<u>(10,121)</u>	<u>336,550</u>	<u>327,853</u>	<u>8,697</u>
Multiple Disabilities					
Salaries of Teachers	279,405	(2,199)	277,206	277,205	1
Other Salaries for Instruction	103,861	77,495	181,356	164,058	17,298
Total Multiple Disabilities	<u>383,266</u>	<u>75,296</u>	<u>458,562</u>	<u>441,263</u>	<u>17,299</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,038,798	(1,800)	1,036,998	1,026,192	10,806
Other Salaries for Instruction	296,376	(32,176)	264,200	206,315	57,885
Total Resource Room/Resource Center	<u>1,335,174</u>	<u>(33,976)</u>	<u>1,301,198</u>	<u>1,232,507</u>	<u>68,691</u>
Autism					
Salaries of Teachers	245,210		245,210	245,210	
Other Salaries for Instruction	137,573	3,986	141,559	141,559	
Total Autism	<u>382,783</u>	<u>3,986</u>	<u>386,769</u>	<u>386,769</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	168,905	(5,048)	163,857	163,857	
Other Salaries for Instruction	147,558	51,394	198,952	170,220	28,732
Total Preschool Disabilities - Full-Time	316,463	46,346	362,809	334,077	28,732
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,317,568	274,028	3,591,596	3,438,197	153,399
Bilingual Education - Instruction					
Salaries of Teachers	582,939	9,106	592,045	592,045	
General Supplies		345	345	345	
Total Bilingual Education - Instruction	582,939	9,451	592,390	592,390	
School-Sponsored Cocurricular Activities - Instruction					
Salaries	151,012	10,483	161,495	102,040	59,455
Total School-Sponsored Cocurricular Activities - Instruction	151,012	10,483	161,495	102,040	59,455
School-Sponsored Athletics - Instruction					
Salaries	219,900	46,275	266,175	223,925	42,250
Supplies and Materials	104,994	4,766	109,760	104,583	5,177
Transfers to Cover Deficit (Agency Funds)	101,500	(86,500)	15,000	15,000	
Total School-Sponsored Athletics - Instruction	426,394	(35,459)	390,935	343,508	47,427
TOTAL INSTRUCTION	17,026,345	480,083	17,506,428	17,080,213	426,215
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	235,396	(24,470)	210,926	202,310	8,616
Tuition to County Voc. School Dist. - Regular	363,150	(58,846)	304,304	301,685	2,619
Tuition to County Voc. School Dist. - Special	103,020	(52,992)	50,028	50,010	18
Tuition to CSSD & Regional Day Schools	804,772	(40,809)	763,963	741,276	22,687
Tuition to Private Schools for the Handicapped - Within State	329,654	(76,454)	253,200	253,200	
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction:	1,840,492	(253,571)	1,586,921	1,552,981	33,940
Undist. Expend. - Health Services					
Salaries	364,315	17,165	381,480	381,480	
Supplies and Materials	7,000	(1,266)	5,734	5,694	40
Total Undistributed Expenditures - Health Services	371,315	15,899	387,214	387,174	40
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	279,220	29,206	308,426	308,426	
Purchased Prof. Services-Educational Services	1,600	(1,600)			
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	280,820	27,606	308,426	308,426	
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	654,600	22,126	676,726	676,725	1
Salaries of Secretarial and Clerical Assistants	88,040	(14,675)	73,365	73,361	4
Total Undist. Expend. - Guidance	742,640	7,451	750,091	750,086	5
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	559,035	106,826	665,861	653,635	12,226
Salaries of Secretarial and Clerical Assistants	165,348	(49,580)	115,768	115,767	1
Other Purchased Professional and Technical Services	1,046,697	(77,187)	969,510	911,576	57,934
Total Undist. Expend. - Other Supp. Serv. Students-Special	1,771,080	(19,941)	1,751,139	1,680,978	70,161
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	172,648	2,112	174,760	174,760	
Supplies and Materials	25,298	5,547	30,845	30,845	
Total Undist. Expend. - Educational Media Serv./Sch. Library	197,946	7,659	205,605	205,605	
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	20,750	(6,087)	14,663	14,660	3
Total Undist. Expend. - Instructional Staff Training Serv.	20,750	(6,087)	14,663	14,660	3
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	293,529	11,700	305,229	305,229	
Legal Services	95,000	(58,899)	36,101	35,356	745
Audit Fees	82,000	(4,500)	77,500	38,500	39,000
Other Purchased Professional Services	35,000	1,250	36,250	36,250	
Purchased Technical Services	83,000	(11,500)	71,500	67,700	3,800
Communications/Telephone	230,896	(26,552)	204,344	201,888	2,456
Other Purch Services (400-500 Series)	352,395	16,718	369,113	364,604	4,509
Judgements against the School District		41,373	41,373	41,373	
Misc. Expenditures	55,000	49,571	104,571	101,844	2,727
Total Undist. Expend. - Supp. Serv. - General Administration	1,226,820	19,161	1,245,981	1,192,744	53,237

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,024,519	135,818	1,160,337	1,160,337	
Salaries of Secretarial and Clerical Assistants	253,272	67,704	320,976	317,929	3,047
Other Objects	11,000	(1,195)	9,805	9,805	
Total Undist. Expend. - Support Serv. - School Administration	1,288,791	202,327	1,491,118	1,488,071	3,047
Undist. Expend. - Support Serv. - Central Services					
Salaries	314,831	34,040	348,871	346,964	1,907
Misc. Expenditures	19,631	100	19,731	19,731	
Total Undist. Expend. - Support Serv. - Central Services	334,462	34,140	368,602	366,695	1,907
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	172,400	2,200	174,600	174,600	
Total Undist. Expend. - Support Serv. - Administrative	172,400	2,200	174,600	174,600	
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	68,000	(68,000)			
Cleaning, Repair and Maintenance Services	97,100	79,084	176,184	170,127	6,057
General Supplies	11,580	6,137	17,717	17,705	12
Undist. Expend. - Required Maint. for School Facilities	176,680	17,221	193,901	187,832	6,069
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,041,637	71,144	1,112,781	1,110,682	2,099
Cleaning, Repair and Maintenance Services	158,000	12,780	170,780	160,899	9,881
Rental of Land & Bldg. Oth. Than Lease Pur Agmt.		29,919	29,919	29,919	
Insurance	362,000	(280,443)	81,557	81,557	
General Supplies	181,500	(39,119)	142,381	142,364	17
Energy (Energy and Electricity)	275,000	(90,000)	185,000	117,886	67,114
Energy (Natural Gas)	275,000	28,921	303,921	282,619	21,302
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,293,137	(266,798)	2,026,339	1,925,926	100,413
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	172,264	19,246	191,510	187,483	4,027
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	344,034	32,246	376,280	373,848	2,432
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	95,000	(48,500)	46,500	39,201	7,299
Cleaning, Repair and Maintenance Services	40,000	18,261	58,261	58,258	3
Lease Purchase Payments - School Buses	71,254	(1,000)	70,254	70,254	
Contract Services (Sp. Ed. Students)-Joint Agreements	174,640	(152,013)	22,627	20,365	2,262
General Supplies	85,000	36,465	121,465	121,465	
Total Undist. Expend. - Student Transportation Services	982,192	(95,295)	886,897	870,874	16,023
UNALLOCATED BENEFITS					
Social Security Contributions	455,000		455,000	394,618	60,382
T.P.A.F. Contributions - ERIP	1,050	129	1,179	1,179	
Other Retirement Contributions-PERS	509,120	(32,198)	476,922	476,922	
Unemployment Compensation	40,000		40,000	40,000	
Workmen's Compensation	135,000	126,432	261,432	261,427	5
Health Benefits	7,232,649	(337,041)	6,895,608	6,729,788	165,820
TOTAL UNALLOCATED BENEFITS	8,372,819	(242,678)	8,130,141	7,903,934	226,207
On-behalf TPAF pension Contributions (non-budgeted)				1,707,593	(1,707,593)
On-behalf TPAF NCGI Premium (non-budgeted)				56,804	(56,804)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,313,165	(1,313,165)
TOTAL ON-BEHALF CONTRIBUTIONS				3,077,562	(3,077,562)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	8,372,819	(242,678)	8,130,141	10,981,496	(2,851,355)
TOTAL UNDISTRIBUTED EXPENDITURES	20,072,344	(550,706)	19,521,638	22,088,148	(2,566,510)
TOTAL GENERAL CURRENT EXPENSE	37,098,689	(70,623)	37,028,066	39,168,361	(2,140,295)
CAPITAL OUTLAY					
Equipment					
Facilities Acquisition and Construction Services					
Infrastructure	21,946	67,755	89,701	89,700	1
Assessment for Debt Service on SDA Funding	3,214		3,214	3,214	
Total Facilities Acquisition and Construction Services	25,160	67,755	92,915	92,914	1
TOTAL CAPITAL OUTLAY	25,160	67,755	92,915	92,914	1
Transfer of Funds to Charter Schools	23,190	7,034	30,224	30,224	
TOTAL EXPENDITURES	37,147,039	4,166	37,151,205	39,291,499	(2,140,294)

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(348,945)</u>		<u>(348,945)</u>	1,312,115	1,661,060
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(348,945)		(348,945)	1,312,115	1,661,060
Fund Balance, July 1	4,315,444		4,315,444	4,315,444	
Fund Balance, June 30	<u>3,966,499</u>		<u>3,966,499</u>	<u>5,627,559</u>	<u>1,661,060</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(346,210)		(346,210)	(346,210)	
Increase in Capital Reserve:					
Principal				800,000	(800,000)
Interest Deposit to Capital Reserve				59	(59)
Budgeted Fund Balance	<u>(2,735)</u>		<u>(2,735)</u>	<u>858,266</u>	<u>2,461,119</u>
	<u>(348,945)</u>		<u>(348,945)</u>	<u>1,312,115</u>	<u>1,661,060</u>
Recapitulation:					
Restricted Fund Balance:					
Legally Restricted - Excess Surplus				914,731	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				1,422,639	
Capital Reserve				1,719,127	
Committed Fund Balance:					
Year-end Encumbrances				245,783	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				370,245	
Unassigned Fund Balance				<u>955,034</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>5,627,559</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>234,886</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>5,392,673</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Education Jobs Fund - Budget and Actual
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	132,986	4,166	137,152	137,152	-
Total Federal Sources	132,986	4,166	137,152	137,152	-
Total Revenues	132,986	4,166	137,152	137,152	-
EXPENDITURES:					
Education Jobs Fund					
Regular Programs - Instruction					
Grades 6-8 - Salaries of Teachers	49,265	-	49,265	49,265	-
Grades 9-12 - Salaries of Teachers	52,425	-	52,425	52,425	-
Total Regular Programs - Instruction	101,690	-	101,690	101,690	-
Unallocated Benefits					
Health Benefits	31,296	4,166	35,462	35,462	-
Total Unallocated Benefits	31,296	4,166	35,462	35,462	-
Total Expenditures	132,986	4,166	137,152	137,152	-

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		49,436	49,436	21,000	(28,436)
State Sources	335,035	475	335,510	312,326	(23,184)
Federal Sources	885,000	543,435	1,428,435	1,305,768	(122,667)
Total Revenues	1,220,035	593,346	1,813,381	1,639,094	(174,287)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	613,240	149,562	762,802	654,892	107,910
Other Salaries for Instruction	78,408	-	78,408	78,408	-
Purchased Professional and Technical Services		303	303	303	-
Other Purchased Services (400-500 series)	450,000	105,966	555,966	555,966	-
General Supplies		88,798	88,798	69,861	18,937
Textbooks		475	475	424	51
Total Instruction	1,141,648	345,104	1,486,752	1,359,854	126,898
Support services:					
Salaries of Supervisors of Instruction		3,400	3,400	3,400	-
Salaries of Program Directors	71,298	(41,606)	29,692	23,392	6,300
Salaries of Secretarial and Clerical Assistants	7,089	-	7,089	7,089	-
Personal Services - Employee Benefits		121,907	121,907	115,425	6,482
Purchased Professional - Educational Services		21,660	21,660	18,230	3,430
Travel		-	-	22,976	(22,976)
Other Purchased Services (400-500 series)		46,500	46,500	22,844	23,656
Supplies & Materials		21,945	21,945	14,884	7,061
Total support services	78,387	173,806	252,193	228,240	23,953
Facilities acquisition and const. serv.:					
Instructional Equipment		30,000	30,000	30,000	-
Noninstructional Equipment		44,436	44,436	21,000	23,436
Total facilities acquisition and const. serv.	-	74,436	74,436	51,000	23,436
Total Expenditures	1,220,035	593,346	1,813,381	1,639,094	174,287
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2012

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	40,603,614	1,639,094
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(189,064)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		150,411	59,891
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(234,886)	(33,503)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>40,519,139</u>	<u>1,476,418</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	39,291,499	1,639,094
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			(189,064)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>39,291,499</u>	<u>1,450,030</u>

SPECIAL REVENUE FUND

CLIFFSIDE PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2012

	Total						
	Brought Forward (Ex. E-1a)	NCLB Title I	IDEA Part - B	IDEA Part - B Preschool	Title II, Part A Training & Recruiting	NCLB Title III	Totals 2012
REVENUES							
Local Sources	21,000						21,000
State Sources	312,326						312,326
Federal Sources	52,152	549,252	541,126	14,840	83,771	64,627	1,305,768
Total Revenues	385,478	549,252	541,126	14,840	83,771	64,627	1,639,094
EXPENDITURES:							
Instruction:							
Salaries of Teachers	215,497	409,394				30,001	654,892
Other Salaries for Instruction	78,408						78,408
Purchased Professional and Technical Services	-	303					303
Other Purchased Services (400-500 series)	-		541,126	14,840			555,966
General Supplies	6,930	17,305			16,000	29,626	69,861
Textbooks	424						424
Total Instruction	301,259	427,002	541,126	14,840	16,000	59,627	1,359,854
Support services:							
Salaries of Supervisors of Instruction	3,400						3,400
Salaries of Program Directors	18,798	4,594					23,392
Salaries of Secretarial and Clerical Assistants	7,089						7,089
Personal Services - Employee Benefits	2,288	99,426			8,711	5,000	115,425
Purchased Professional - Educational Services	-	18,230					18,230
Travel	-				22,976		22,976
Other Purchased Services (400-500 series)	22,844				14,884		22,844
Supplies & Materials	-						14,884
Total support services	54,419	122,250	-	-	46,571	5,000	228,240
Facilities acquisition and const. serv.:							
Instructional Equipment	8,800				21,200		30,000
Noninstructional Equipment	21,000						21,000
Total facilities acquisition and const. serv.	29,800	-	-	-	21,200	-	51,000
Total Expenditures	385,478	549,252	541,126	14,840	83,771	64,627	1,639,094
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2012

	IMPACT Grant	Nonpublic - Textbooks	Nonpublic - Nursing	Preschool Education Aid	NJSBAIG Safety Grant	Total Carried Forward
REVENUES						
Local Sources						21,000
State Sources	52,152	177	247	311,902	21,000	312,326
Federal Sources						52,152
Total Revenues	52,152	177	247	311,902	21,000	385,478
EXPENDITURES:						
Instruction:						
Salaries of Teachers	7,890			207,607		215,497
Other Salaries for Instruction				78,408		78,408
Purchased Professional and Technical Services						-
Other Purchased Services (400-500 series)	6,930					6,930
General Supplies		177				424
Textbooks			247			
Total Instruction	14,820	177	247	286,015	-	301,259
Support services:						
Salaries of Supervisors of Instruction	3,400					3,400
Salaries of Program Directors				18,798		18,798
Salaries of Secretarial and Clerical Assistants				7,089		7,089
Personal Services - Employee Benefits	2,288					2,288
Purchased Professional - Educational Services						-
Travel						-
Other Purchased Services (400-500 series)	22,844					22,844
Supplies & Materials						-
Total support services	28,532	-	-	25,887	-	54,419
Facilities acquisition and const. serv.:						
Instructional Equipment	8,800				21,000	8,800
Noninstructional Equipment						21,000
Total facilities acquisition and const. serv.	8,800	-	-	-	21,000	29,800
Total Expenditures	52,152	177	247	311,902	21,000	385,478
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2012

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	230,740	207,607	23,133
Other salaries for instruction	78,408	78,408	
Total instruction	<u>309,148</u>	<u>286,015</u>	<u>23,133</u>
Support services:			
Salaries of Program Directors	18,798	18,798	
Salaries of Secr. and Clerical Assistants	7,089	7,089	
Total support services	<u>25,887</u>	<u>25,887</u>	
Total expenditures	<u>335,035</u>	<u>311,902</u>	<u>23,133</u>

Summary of Location Totals

Total revised 2011-12 Preschool Education Aid	335,035
Add: Actual Preschool Education Aid Carryover (June 30, 2011)	47,576
Add: Budgeted Transfer from the General Fund 2011-12	
Total Preschool Education Aid Funds Available for 2011-12 Budget	<u>382,611</u>
Less: 2011-12 Budgeted Preschool Education Aid	
(prior year budgeted carryover)	<u>335,035</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	<u>47,576</u>
 Add: June 30, 2011 Unexpended Preschool Education Aid	<u>23,133</u>
2011-12 Carryover - Preschool Education Aid/Preschool	<u>70,709</u>

CAPITAL PROJECTS FUND

CLIFFSIDE PARK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	<hr/>
	-

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	16,328
Equipment purchases	-
	<hr/>

Total expenditures	<hr/> 16,328
--------------------	--------------

Excess (deficiency) of revenues over (under) expenditures	(16,328)
---	----------

Other Finance Sources (Uses)

Transfers out	<hr/>
Total other financing sources (uses)	<hr/>

Net change in fund balance	(16,328)
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Fund balance - beginning	<hr/> 166,251
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Fund balance - ending	<hr/> <hr/> 149,923
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Recapitulation:

Unrestricted Fund Balance	149,923
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Reconciliation to Governmental Funds Statements (GAAP):

SDA Grant Receivable not Recognized on GAAP Basis	<hr/> (47,560)
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Fund Balance per Governmental Funds	<hr/> <hr/> 102,363
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CLIFFSIDE PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Construction of Additions to School #6
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers	5,400,000		5,400,000	5,400,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>5,400,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	5,352,649	16,328	5,368,977	5,400,000
Equipment purchases				
	<u>5,352,649</u>	<u>16,328</u>	<u>5,368,977</u>	<u>5,400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,351</u>	<u>(16,328)</u>	<u>31,023</u>	<u>-</u>
Additional project information:				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	7/15/1999			
Bonds authorized	5,400,000			
Bonds issued	5,400,000			
Original authorization cost	5,400,000			
Additional authorized cost				
Revised authorized cost	5,400,000			
Percentage increase over original authorized cost	-			
Percentage completion	99%			
Original target completion date	June-03			
Revised target completion date	June-03			

CLIFFSIDE PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Boiler Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	272,048		272,048	272,048
Bond proceeds and transfers			-	
Transfers from Capital Reserve	408,072		408,072	408,072
Transfers from Capital Outlay			-	
	<u>680,120</u>	<u>-</u>	<u>680,120</u>	<u>680,120</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	561,220		561,220	680,120
Equipment purchases				
	<u>561,220</u>	<u>-</u>	<u>561,220</u>	<u>680,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,900</u>	<u>-</u>	<u>118,900</u>	<u>-</u>
Additional project information:				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	8/6/2010			
Bonds authorized				
Bonds issued				
Original authorization cost	680,120			
Additional authorized cost				
Revised authorized cost	680,120			
Percentage increase over original authorized cost	-			
Percentage completion	83%			
Original target completion date	Oct. 2011			
Revised target completion date	Oct. 2011			

CLIFFSIDE PARK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2012

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
Construction Additions to School #6	July 15, 1999	5,400,000	5,352,649	16,328	31,023
Boiler Replacement	Aug. 6, 2010	680,120	561,220		118,900
		<u>6,080,120</u>	<u>5,913,869</u>	<u>16,328</u>	<u>149,923</u>
Analysis					
			Project Balance - June 30, 2012 Unfunded Authorizations		149,923
			Fund Balance (Deficit) - June 30, 2012		<u>149,923</u>

PROPRIETARY FUNDS

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2012

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	410,415	77,066	487,481
Accounts receivable:			
State	2,007		2,007
Federal	25,186		25,186
Other	17,970		17,970
Inventories	6,030		6,030
Total current assets	<u>461,608</u>	<u>77,066</u>	<u>538,674</u>
Noncurrent assets:			
Capital assets:			
Equipment	246,597		246,597
Less accumulated depreciation	<u>(218,908)</u>		<u>(218,908)</u>
Total capital assets (net of accumulated depreciation)	<u>27,689</u>	<u>-</u>	<u>27,689</u>
Total assets	<u>489,297</u>	<u>77,066</u>	<u>566,363</u>
LIABILITIES			
Current Liabilities:			
Interfunds Payable		74,491	74,491
Accounts Payable	<u>27,373</u>		<u>27,373</u>
Total Liabilities	<u>27,373</u>	<u>74,491</u>	<u>101,864</u>
NET ASSETS			
Invested in capital assets net of related debt	27,689	-	27,689
Unrestricted	<u>434,235</u>	<u>2,575</u>	<u>436,810</u>
Total net assets	<u>461,924</u>	<u>2,575</u>	<u>464,499</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	448,499		448,499
Daily sales - non-reimbursable programs	320,517		320,517
Program Fees		279,213	279,213
Total operating revenues	<u>769,016</u>	<u>279,213</u>	<u>1,048,229</u>
Operating expenses:			
Cost of food	594,772		594,772
Salaries	437,368	276,375	713,743
Employee Benefits	214,871		214,871
Supplies and materials	53,424	1,398	54,822
Purchased Services	83,226		83,226
Depreciation	10,629		10,629
Repairs and other expenses	42,083	2,952	45,035
Total Operating Expenses	<u>1,436,373</u>	<u>280,725</u>	<u>1,717,098</u>
Operating income (loss)	<u>(667,357)</u>	<u>(1,512)</u>	<u>(668,869)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,823		15,823
School snack program	25,094		25,094
Federal sources:			
School lunch program	643,216		643,216
School breakfast program	106,101		106,101
U.S.D.A. Commodities	31,486		31,486
Total nonoperating revenues (expenses)	<u>821,720</u>	<u>-</u>	<u>821,720</u>
Income (loss) before contributions & transfers	<u>154,363</u>	<u>(1,512)</u>	<u>152,851</u>
Total net assets—beginning	<u>307,561</u>	<u>4,087</u>	<u>311,648</u>
Total net assets—ending	<u><u>461,924</u></u>	<u><u>2,575</u></u>	<u><u>464,499</u></u>

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2012

	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	777,692	279,213	1,056,905
Payments to suppliers	(1,413,146)	(252,484)	(1,665,630)
Net cash provided by (used for) operating activities	<u>(635,454)</u>	<u>26,729</u>	<u>(608,725)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	40,853		40,853
Federal Sources	762,601		762,601
Net cash provided by (used for) non-capital financing activities	<u>803,454</u>	<u>-</u>	<u>803,454</u>
Net increase (decrease) in cash and cash equivalents	<u>168,000</u>	<u>26,729</u>	<u>194,729</u>
Balances—beginning of year	242,415	50,337	292,752
Balances—end of year	<u>410,415</u>	<u>77,066</u>	<u>487,481</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(667,357)	(1,512)	(668,869)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,629		10,629
Food distribution program	31,486		31,486
(Increase) decrease in accounts receivable, net	8,675		8,675
(Increase) decrease in inventories	2,426		2,426
Increase (decrease) in accounts payable	(21,313)	28,241	6,928
Total adjustments	<u>31,903</u>	<u>28,241</u>	<u>60,144</u>
Net cash provided by (used for) operating activities	<u>(635,454)</u>	<u>26,729</u>	<u>(608,725)</u>

FIDUCIARY FUND

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	14,395	1,905	387,326
Interfund receivable	95,282		
Accounts receivable			40,086
Total assets	<u>109,677</u>	<u>1,905</u>	<u>427,412</u>
LIABILITIES			
Payable to student groups			109,507
Payable to other funds			124,964
Due to State - Unemployment	30,151		
Payroll deductions and withholdings			192,941
Total liabilities	<u>30,151</u>	<u>-</u>	<u>427,412</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	79,526		
Reserved for scholarships		1,905	
	<u>79,526</u>	<u>1,905</u>	

Exhibit H-2

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		11,000
Payroll withholdings	32,180	
District contributions	40,000	
Total Contributions	<u>72,180</u>	<u>11,000</u>
 DEDUCTIONS		
Unemployment Claims	143,713	
Scholarships awarded		9,500
Total deductions	<u>143,713</u>	<u>9,500</u>
 Change in net assets	(71,533)	1,500
Net assets—beginning of the year	<u>151,059</u>	<u>405</u>
Net assets—end of the year	<u>79,526</u>	<u>1,905</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Elementary Schools:				
School #3	13,511	33,744	27,655	19,600
School #4	5,544	17,308	12,681	10,171
School #5	7,161	3,009	3,244	6,926
School #6	9,123	19,169	23,140	5,152
Early Learning Center	4,421	2	4,423	-
Total Elementary Schools	<u>39,760</u>	<u>73,232</u>	<u>71,143</u>	<u>41,849</u>
Middle School:				
School #6 - Middle	8,003	29,543	31,363	6,183
Student Council	6,401	18,218	22,211	2,408
Total Middle Schools	<u>14,404</u>	<u>47,761</u>	<u>53,574</u>	<u>8,591</u>
High School:				
High School	41,042	129,627	118,145	52,524
Athletic	5,616	42,376	42,583	5,409
Project Graduation	4,107	27,575	30,548	1,134
Total High Schools	<u>50,765</u>	<u>199,578</u>	<u>191,276</u>	<u>59,067</u>
Total All Schools	<u>104,929</u>	<u>320,571</u>	<u>315,993</u>	<u>109,507</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Net Payroll	-	14,104,607	14,104,607	-
Payroll Deductions and Withholdings	154,965	11,663,654	11,625,678	192,941
Due to Other Funds	<u>92,978</u>	<u>32,179</u>	<u>193</u>	<u>124,964</u>
	<u>247,943</u>	<u>25,800,440</u>	<u>25,730,478</u>	<u>317,905</u>

LONG-TERM DEBT

CLIFFSIDE PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds Payable
Fiscal Year Ended June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>				
School District Bpnds Refunding - 2006	July 15, 2006	3,680,000	7/15/2012	310,000	3.50	3,070,000	300,000	2,770,000
			7/15/2013	325,000	3.60			
			7/15/2014	335,000	3.65			
			7/15/2015	340,000	3.65			
			7/15/2016	350,000	5.00			
			7/15/2017	360,000	5.00			
			7/15/2018	370,000	5.00			
			7/15/2019	380,000	5.00			
						<u>\$ 3,070,000</u>	<u>300,000</u>	<u>2,770,000</u>

Exhibit I-2

CLIFFSIDE PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2012

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
		<u>Date</u>	<u>Amount</u>				
2007 Wheel Chair Equipped Bus	93,618			5.00%	\$ 16,730	16,730	
2007 54 Passenger Bus	73,055			5.00%	13,080	13,080	
2009 16 Passenger Bus	43,352	10/31/2012	9,081	4.73%	17,752	8,671	9,081
2010 54 Passenger Bus	85,695	9/1/2012 9/1/2013	17,095 17,984	5.20%	51,329	16,250	35,079
2010 24 Passenger Bus	48,400	7/15/2012 7/15/2013 7/15/2014	9,283 9,673 10,076	4.20%	38,071	9,039	29,032
					\$ 136,962	63,770	73,192

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	420,854	-	420,854	420,854	-
State Sources:					
Debt Service Aid Type II	4,584	-	4,584	4,584	-
Total - State Sources	4,584	-	4,584	4,584	-
Total Revenues	425,438	-	425,438	425,438	-
EXPENDITURES:					
Regular Debt Service:					
Interest	125,438	-	125,438	125,437	(1)
Redemption of Principal	300,000	-	300,000	300,000	-
Total Regular Debt Service	425,438	-	425,438	425,437	(1)
Total expenditures	425,438	-	425,438	425,437	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	1	1
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	1	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Unreserved - Undesignated Fund Balance	-	-	-	1	1

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

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- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

CLIFFSIDE PARK BOARD OF EDUCATION

Net Assets by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,826,181	\$ 2,772,447	\$ 3,715,088	\$ 3,873,386	\$ 3,766,968	\$ 3,504,723	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	\$ 4,179,066
Restricted	191,779	111,163	10	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277
Unrestricted	966,492	67,773	(129,105)	165,291	837,425	1,361,376	(323,165)	(1,069,576)	(332,676)	(516,963)
Total governmental activities net assets	\$ 3,984,452	\$ 2,951,383	\$ 3,585,983	\$ 4,038,687	\$ 4,658,504	\$ 5,204,787	\$ 5,500,137	\$ 4,792,376	\$ 7,137,663	\$ 8,463,380
Business-type activities										
Invested in capital assets, net of related debt	\$ 61,726	\$ 31,903	\$ 3,315			\$ 4,068	\$ 5,234	\$ 48,946	\$ 38,318	\$ 27,689
Restricted										
Unrestricted	36,015	80,742	31,989	172,280	135,833	67,314	68,999	77,074	273,330	436,810
Total business-type activities net assets	\$ 97,741	\$ 112,645	\$ 35,304	\$ 172,280	\$ 135,833	\$ 71,382	\$ 74,233	\$ 126,020	\$ 311,648	\$ 464,499
District-wide										
Invested in capital assets, net of related debt	\$ 2,887,907	\$ 2,804,350	\$ 3,718,403	\$ 3,873,386	\$ 3,766,968	\$ 3,508,791	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	\$ 4,206,755
Restricted	191,779	111,163	-	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277
Unrestricted	1,002,507	148,515	(97,116)	337,571	973,258	1,428,690	(254,166)	(992,502)	(59,346)	(80,153)
Total district net assets	\$ 4,082,193	\$ 3,064,028	\$ 3,621,287	\$ 4,210,967	\$ 4,794,337	\$ 5,276,169	\$ 5,574,370	\$ 4,918,396	\$ 7,449,311	\$ 8,927,879

Source: CAFR Schedule A-1

CLIFFSIDE PARK BOARD OF EDUCATION
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services	453,281	429,922	432,602	497,839	602,942	684,899
Food service						756,143
After School Program						771,777
Academy School						181,625
Operating grants and contributions	335,421	354,184	399,488	437,148	424,552	556,047
Capital grants and contributions	788,702	784,106	832,090	934,987	1,027,494	1,135,144
Total business type activities program revenues	\$ 11,951,983	\$ 12,338,353	\$ 12,570,229	\$ 14,038,321	\$ 15,035,753	\$ 10,931,147
Total district program revenues						\$ 9,438,381
						\$ 1,509,294
						\$ 1,746,281
						\$ 10,750,196
						\$ 9,557,371
						\$ 1,869,949
						\$ 9,260,496
Net (Expense)/Revenue						
Governmental activities	\$ (17,801,617)	\$ (20,213,967)	\$ (21,567,777)	\$ (22,798,268)	\$ (24,295,295)	\$ (28,831,008)
Business-type activities	(19,090)	14,895	(77,341)	86,976	(36,447)	(64,451)
Total district-wide net expense	\$ (17,820,707)	\$ (20,199,072)	\$ (21,645,118)	\$ (22,711,292)	\$ (24,331,742)	\$ (28,895,459)
						\$ (31,435,810)
						\$ (33,776,315)
						\$ (31,689,946)
						185,628
						\$ (31,504,318)
						\$ (33,551,880)
						\$ (33,704,731)
						152,851
						\$ (33,551,880)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 17,393,901	\$ 18,371,836	\$ 21,222,078	\$ 22,195,851	\$ 23,525,325	\$ 24,028,200
Taxes levied for debt service	379,718	466,322	447,336	448,022	441,357	426,053
Federal and State Aid - Restricted	344,034	229,248	348,731	366,575	367,137	377,867
Federal and State Aid - Not Restricted						4,650,550
Investment earnings	217,363	21,383	28,406	91,145	188,266	17,920
Miscellaneous income	(879)	172,725	155,826	199,379	393,027	394,785
Transfers	18,334,137	19,261,514	22,202,377	23,250,972	24,915,112	29,499,588
Total governmental activities						\$ 31,734,011
						\$ 27,336,235
						421,176
						5,590,059
						687,763
						34,035,233
						\$ 35,030,448
Business-type activities:						
Investment earnings	311	9				
Miscellaneous Income				50,000		
Transfers	879	9		50,000		
Total business-type activities	1,190	19,261,523	\$ 22,202,377	\$ 23,300,972	\$ 24,915,112	\$ 29,499,588
Total district-wide	\$ 18,335,327	\$ 19,261,523	\$ 22,202,377	\$ 23,300,972	\$ 24,915,112	\$ 29,499,588
						\$ 31,734,011
						\$ 32,627,549
						\$ 34,035,233
						\$ 35,030,448
Change in Net Assets						
Governmental activities	\$ 532,520	\$ (952,453)	\$ 634,600	\$ 452,704	\$ 619,817	\$ 668,580
Business-type activities	(17,900)	14,904	(77,341)	136,976	(36,447)	(64,451)
Total district	\$ 514,620	\$ (937,549)	\$ 557,259	\$ 589,680	\$ 583,370	\$ 604,129
						\$ 298,201
						\$ 2,851
						\$ 2,345,287
						185,628
						\$ 2,530,915
						\$ 1,478,568
						\$ 1,325,717
						152,851
						\$ 1,478,568

Source: CAFR Schedule A-2

CLIFFSIDE PARK BOARD OF EDUCATION
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	\$ 15,055,753	\$ 14,496,918	\$ 16,436,559	\$ 17,199,226	\$ 18,303,906	\$ 16,839,644	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,971,833
Special education	4,180,097	5,540,816	5,073,181	5,738,920	6,223,934	3,363,762	3,787,841	3,800,012	4,075,643	4,667,377
Other special education	676,026	860,725	871,801	1,048,032	779,957	611,346	625,896	887,456	751,847	804,050
Other instruction	804,676	1,142,883	1,119,003	894,939	842,381	844,526	965,266	734,748	730,640	562,083
Support Services:										
Tuition						2,054,178	1,958,454	1,891,441	1,662,115	1,552,981
Student & instruction related services	2,559,791	3,765,470	3,723,210	4,048,070	4,466,064	4,866,404	4,286,179	4,761,630	4,600,551	4,368,088
General administrative services	860,834	714,252	885,260	973,848	1,063,066	877,259	945,280	1,683,523	1,336,229	1,301,866
School administrative services	1,441,400	1,471,373	1,397,049	1,632,440	1,852,429	1,693,371	1,924,975	1,251,075	2,037,280	2,016,562
Central services and administrative information technology			473,188	395,010	554,673	579,607	589,144	628,335	658,999	727,758
Business administrative services	443,688	574,705								
Plant operations and maintenance	2,235,528	2,423,433	2,404,596	2,946,820	3,156,552	2,938,403	3,333,162	3,104,869	2,934,424	2,510,835
Pupil transportation	446,640	529,873	683,775	799,673	778,549	943,570	932,372	1,038,296	1,103,550	1,047,315
Unallocated Benefits						2,458,264	2,362,021	3,432,153	2,364,279	2,974,168
Charter Schools			238,294	224,624	282,043	243,087	151,407	139,132	127,668	30,224
Interest on long-term debt	260,465	247,766				258,335	254,233	337,078	294,713	120,544
Unallocated depreciation						55,255	-	513,578	260,034	295,163
Capital Outlay - nondepreciable							-			144,431
Total governmental activities expenses	28,964,898	31,768,214	33,305,916	35,901,602	38,303,554	38,627,011	39,617,069	41,824,392	40,693,861	41,095,278
Business-type activities:										
Food service	807,792	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,383,115	1,436,373
After School Program	-	-	-	-	-	-	-	-	177,538	280,725
Academy School										
Total business-type activities expense	807,792	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,560,653	1,717,098
Total district expenses	\$ 29,772,690	\$ 32,537,425	\$ 34,215,347	\$ 36,749,613	\$ 39,367,495	\$ 39,826,606	\$ 40,874,191	\$ 43,281,899	\$ 42,254,514	\$ 42,812,376
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 4,644,793	\$ 3,946,048	\$ 3,390,300	\$ 3,916,272	\$ 4,045,074	\$ 5,539,912	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 5,914,129
Pupil transportation	639,495	552,664	740,220	946,011	948,845		-	-		
Business and other support services	16,000	16,000	16,000	16,200	16,200	8,100	-	-		
Operating grants and contributions	5,862,993	7,039,535	7,591,619	8,051,115	8,688,078	4,247,991	1,849,270	2,304,165	1,720,569	1,426,555
Capital grants and contributions	-	-	-	173,736	310,062	-	-	-	360,862	49,863
Total governmental activities program revenues	11,163,281	11,554,247	11,738,139	13,103,334	14,008,259	9,796,003	8,178,408	8,048,077	9,003,915	7,390,547

CLIFFSIDE PARK BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 244,000	\$ 94,395	\$ 235,500	\$ 248,387	\$ 446,745	\$ 1,685,611	\$ 2,233,065	\$ 1,784,563		
Unreserved	941,842	409,890	389,718	629,745	1,022,176	632,072	399,782	399,306	2,803,366	4,056,497
Restricted									346,210	245,783
Committed									2,735	370,245
Assigned									1,012,722	720,148
Unassigned									\$ 4,165,033	\$ 5,392,673
Total general fund	\$ 1,185,842	\$ 504,285	\$ 625,218	\$ 878,132	\$ 1,468,921	\$ 2,317,683	\$ 2,632,847	\$ 2,183,869	\$ 4,165,033	\$ 5,392,673
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund						(32,863)				
Capital projects fund						84,587	84,587	47,351		
Debt service fund	34,363					54,101				
Unreserved	66,765	24,844	17,816	(1,395)	49,380				118,691	26,388
Assigned, reported in:										
Special revenue fund										102,363
Capital projects fund										1
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ 101,128	\$ 24,844	\$ 17,816	\$ (1,395)	\$ 49,380	\$ 105,825	\$ 84,587	\$ 47,351	\$ 118,691	\$ 128,752

Source: CAFR Schedule B-1

CLIFFSIDE PARK BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 17,773,619	\$ 18,838,158	\$ 21,669,414	\$ 22,643,873	\$ 23,966,682	\$ 24,454,253	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411	\$ 28,303,814
Tuition	4,644,793	4,585,543	4,683,184	4,862,283	4,993,919	5,539,912	6,329,138	5,743,912	6,922,484	5,914,129
Transportation	16,000	16,000	16,000	16,200	16,200	8,100	-	-	-	-
Miscellaneous	217,363	194,108	184,232	290,524	581,293	394,785	151,508	993,934	687,763	421,830
State sources	5,265,732	5,561,440	5,892,445	6,419,968	7,748,650	7,328,908	7,008,171	6,081,801	6,122,991	6,471,378
Federal sources	953,273	1,707,343	2,047,905	2,171,458	1,616,627	1,569,633	1,056,407	1,646,737	1,548,499	1,309,842
Total revenue	28,870,780	30,902,592	34,493,180	36,404,306	38,923,371	39,295,591	39,912,419	40,675,626	43,039,148	42,420,993
Expenditures										
Instruction										
Regular instruction	14,944,647	14,536,723	16,375,914	17,184,794	18,391,821	13,920,802	13,978,849	14,106,514	13,623,401	13,848,957
Special education instruction	4,185,544	5,506,852	5,099,373	5,738,775	6,226,466	2,585,092	2,864,561	2,911,280	2,998,317	3,438,197
Other special instruction	671,128	1,140,935	1,108,152	1,051,850	825,254	469,649	473,370	715,984	553,109	592,390
Other instruction	804,676	860,725	854,652	897,023	843,037	695,121	784,632	566,130	577,589	445,548
Support Services:										
Tuition										
Student & instruction related services	2,559,791	3,695,352	3,737,385	4,047,225	4,462,377	2,054,178	1,958,454	1,891,441	1,662,115	1,940,155
School Administrative services	829,564	816,062	876,851	980,989	1,063,066	4,133,354	3,505,836	3,926,255	3,684,454	3,115,043
General administrative services	1,415,282	1,374,784	1,473,942	1,603,206	1,844,181	1,297,613	1,452,067	1,593,890	1,501,419	1,488,071
Business and other support services	440,161	538,182				785,851	856,452	762,244	1,230,755	1,192,744
Central services and administrative information technology			496,680	408,469	554,673	447,125	446,580	486,891	488,719	541,295
Plant operations and maintenance	1,894,304	2,090,827	2,115,420	2,624,258	2,809,298	2,553,836	2,895,927	2,676,161	2,498,369	2,113,758
Pupil transportation	433,571	516,804	680,991	796,110	764,446	690,463	758,501	918,529	920,778	870,874
Unallocated benefits						5,823,670	6,852,710	6,909,221	7,858,312	7,903,934
On-behalf contributions						2,337,780	2,356,734	2,545,763	2,521,679	3,077,562
Charter Schools									11,177	30,224
Capital outlay	398,047	80,616	1,059,889	354,871	187,398	165,011	186,607	741,073	934,358	159,105
Special Revenue Fund										
Debt service:										
Principal										
Interest and other charges	242,360	249,027	255,795	275,791	312,066	260,000	280,000	280,000	290,000	300,000
Bond issuance costs	266,087	253,544	244,231	228,500	164,397	170,839	157,514	145,738	135,763	125,437
Advance refunding excrow					95,860					
Total expenditures	29,085,162	31,660,433	34,379,275	36,191,861	38,710,028	38,390,384	39,808,794	41,177,114	41,490,314	41,183,294
Excess (Deficiency) of revenues over (under) expenditures	(214,382)	(757,841)	113,905	212,445	213,343	905,207	103,625	(501,488)	1,548,834	1,237,699

CLIFFSIDE PARK BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	71,258	166,673	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	3,680,000	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	(3,570,000)	-	-	-	-	-
Original issue premium	-	-	-	-	151,548	-	-	-	-	-
Transfers in	-	-	-	-	2,214,710	-	43,352	-	408,072	-
Transfers out	(879)	-	-	(50,000)	(2,214,710)	-	-	-	(408,072)	-
Total other financing sources (uses)	(879)	-	-	21,258	428,221	-	43,352	-	-	-
Net change in fund balances	\$ (215,261)	\$ (757,841)	\$ 113,905	\$ 233,703	\$ 641,564	\$ 905,207	\$ 146,977	\$ (501,488)	\$ 1,548,834	\$ 1,237,699
Debt service as a percentage of noncapital expenditures	1.8%	1.6%	1.5%	1.4%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%

Source: CAFR Schedule B-2

CLIFFSIDE PARK BOARD OF EDUCATION
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees	Refunds	Rent	Restitution	Misc.	Total
2003	41,367	4,644,793	16,000				90,067	4,792,227
2004	21,383	4,585,543	16,000				172,725	4,795,651
2005	28,406	4,683,184	16,000				155,826	4,883,416
2006	91,145	4,862,283	16,200				199,379	5,169,007
2007	188,266	4,993,919	16,200				393,027	5,591,412
2008	107,283	5,539,912	8,100	57,414	25,000	59,400	145,688	5,942,797
2009	17,920	6,329,138	-				133,588	6,480,646
2010		5,743,912		532,227			461,707	6,737,846
2011	13,320	6,922,484	334,731	59,854	50,000		229,858	7,610,247
2012	6,193	5,914,129	290,940	55,614	10,015		38,070	6,314,961

Source: District Records

CLIFFSIDE PARK BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2002	\$ 7,847,800	\$ 1,031,703,500	\$ 100,161,800	\$ 7,250,900	\$ 119,416,300	\$ 1,266,380,300	\$ -		\$ 1,266,380,300	1.375	\$ 1,850,275,631	68.44%
2003	\$ 7,573,700	\$ 1,036,723,400	\$ 100,232,900	\$ 7,250,900	\$ 120,059,400	\$ 1,271,842,300	\$ -		\$ 1,271,842,300	1.438	\$ 1,912,160,189	66.51%
2004	\$ 18,002,200	\$ 2,017,587,000	\$ 147,379,300	\$ 10,037,300	\$ 206,244,400	\$ 2,399,250,200	\$ -		\$ 2,399,250,200	0.833	\$ 2,166,522,428	110.74%
2005	\$ 15,412,600	\$ 2,034,533,200	\$ 143,532,900	\$ 9,905,100	\$ 207,879,600	\$ 2,411,263,400	\$ -		\$ 2,411,263,400	0.738	\$ 2,497,757,535	96.54%
2006	\$ 12,183,200	\$ 2,056,357,500	\$ 142,889,400	\$ 9,526,700	\$ 205,896,500	\$ 2,426,853,300	\$ -		\$ 2,426,853,300	0.959	\$ 2,860,388,344	84.84%
2007	\$ 9,532,300	\$ 2,090,856,700	\$ 141,369,500	\$ 6,232,400	\$ 205,131,300	\$ 2,453,102,200	\$ -		\$ 2,453,102,200	0.985	\$ 2,456,887,669	99.85%
2008	\$ 7,707,000	\$ 2,105,334,300	\$ 135,715,000	\$ 5,502,700	\$ 203,663,400	\$ 2,457,922,400	\$ -	\$ 3,547,308	\$ 2,461,469,708	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ 202,084,300	\$ 2,474,863,400	\$ -	\$ 4,378,933	\$ 2,479,242,333	1.091	\$ 3,543,171,541	69.97%
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ 203,430,400	\$ 2,469,463,000	\$ -	\$ 4,378,933	\$ 2,473,841,933	1.091	\$ 3,507,065,519	70.54%
2011	\$ 7,345,100	\$ 2,287,332,400	\$ 180,014,700	\$ 6,158,500	\$ 257,428,300	\$ 2,738,279,000	\$ -	\$ 7,374,071	\$ 2,745,653,071	1.020	\$ 3,267,134,590	84.04%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

Exhibit J-7

CLIFFSIDE PARK BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total Direct	Borough of Cliffside Park	Bergen County	
		Obligation Debt Service ^b				
2003	1.44		1.44	1.13	0.32	2.89
2004 *	0.83		0.83	0.72	0.19	1.74
2005	0.74		0.74	0.91	0.21	1.86
2006	0.96		0.96	0.8	0.22	1.98
2007	0.99		0.99	0.81	0.24	2.04
2008	1.01		1.01	0.83	0.27	2.114
2009	1.04		1.04	0.28	0.88	2.203
2010	1.08	0.01	1.09	0.91	0.28	2.28
2011	1.00	0.02	1.02	0.85	0.23	2.093
2012	1.02	0.02	1.04	0.86	0.24	2.138

* - The Borough underwent a revaluation of real property which was effective for calendar year 2004.

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .
The levy when added to other components of the district's net budget may not exceed the
prebudget year net budget by more than the spending growth limitation calculated as follows:
the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater,
plus any pending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

CLIFFSIDE PARK BOARD OF EDUCATION
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Briarcliff Corp.	\$ 79,500,000	1	2.90%	\$ 32,500,000	1	2.56%
Palisadium Mgmt. Corp.	\$ 12,550,500	2	0.46%	\$ 5,232,700	3	0.41%
Verizon - New Jersey	\$ 5,714,465	4	0.21%	\$ 5,492,085	2	0.43%
T&F Realty	\$ 6,250,000	3	0.23%	\$ 3,510,000	4	0.28%
Savoy Plaza	\$ 5,664,800	5	0.21%	\$ 3,412,600	5	0.27%
Carlton Corp.	\$ 4,700,500	6	0.17%	\$ 2,375,000	7	0.19%
TD Banknorth	\$ 1,116,900	10	0.04%	\$ 3,250,000	6	0.26%
Timmes Realty Assoc.	\$ 3,690,500	7	0.13%	\$ 1,985,600	8	0.16%
G&N Realty	\$ 3,300,000	8	0.12%	\$ 1,956,200	9	0.15%
A.K. Macagna Development Corp.	\$ 2,540,200	9	0.09%	\$ 1,715,000	10	0.13%
Total	<u>\$ 125,027,865</u>		<u>4.55%</u>	<u>\$ 61,429,185</u>		<u>4.83%</u>
Net Assessed Valuation:			\$ 2,745,653,071	\$ 1,271,842,300		

Source: Municipal Tax Assessor.

CLIFFSIDE PARK BOARD OF EDUCATION
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$17,773,619	\$17,773,619	100.00%	\$ -
2004	\$18,838,158	\$18,838,158	100.00%	\$ -
2005	\$21,669,414	\$21,669,414	100.00%	\$ -
2006	\$22,643,873	\$22,643,873	100.00%	\$ -
2007	\$23,966,682	\$23,966,682	100.00%	\$ 520,561
2008	\$24,028,200	\$24,028,200	100.00%	\$ -
2009	\$25,367,195	\$25,367,195	100.00%	\$ -
2010	\$26,209,242	\$26,209,242	100.00%	\$ -
2011	\$26,983,327	\$26,983,327	100.00%	\$ -
2012	\$28,303,814	\$28,049,175	99.10%	\$ 254,639

Source: Municipal Tax Collector

CLIFFSIDE PARK BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003					-	0.00%	\$ 51,132
2004					-	0.00%	\$ 54,462
2005	4,535,000	67,689	-	-	4,602,689	1.23%	\$ 56,706
2006	4,305,000	93,156	-	-	4,398,156	1.43%	\$ 62,714
2007	4,180,000	182,763	-	-	4,362,763	1.54%	\$ 67,394
2008	3,920,000	147,301	-	-	4,067,301	1.68%	\$ 68,227
2009	3,640,000	143,987	-	-	3,783,987	1.67%	\$ 63,198
2010	3,360,000	212,214	-	-	3,572,214	1.83%	\$ 65,486
2011	3,070,000	136,962	-	-	3,206,962	Not Available	Not Available
2012	2,770,000	73,192	-	-	2,843,192	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Exhibit J-11

CLIFFSIDE PARK BOARD OF EDUCATION
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2003	\$ -	-	-	0.00%	\$ 51,132
2004	\$ -	-	-	0.00%	\$ 54,462
2005	\$ -	-	-	0.00%	\$ 56,706
2006	\$ 4,535,000	-	4,535,000	0.19%	\$ 62,714
2007	\$ 4,305,000	-	4,305,000	0.18%	\$ 67,394
2008	\$ 4,180,000	-	4,180,000	0.17%	\$ 68,227
2009	\$ 3,640,000	-	3,640,000	0.15%	\$ 63,198
2010	\$ 3,360,000	-	3,360,000	0.14%	\$ 65,486
2011	\$ 3,070,000	-	3,070,000	Not Available	Not Available
2012	\$ 2,770,000	-	2,770,000	Not Available	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

CLIFFSIDE PARK BOARD OF EDUCATION
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2012			\$ 2,770,000
Net overlapping debt of School District:			
Borough of Cliffside Park	100.000%	\$ 43,094,596	
County of Bergen - City's Share	1.718%	\$ 12,001,409	
Bergen County Utility Authority-City's Share	3.325%	\$ 7,728,505	
Subtotal, overlapping debt			\$ 62,824,510
Total direct and overlapping debt			\$ 65,594,510

Sources: Borough of Cliffside Park Finance Office / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cliffside Park. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

CLIFFSIDE PARK BOARD OF EDUCATION
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis	
2011	\$ 3,497,051,576
2010	\$ 3,247,584,166
2009	\$ 3,497,051,576
[A]	\$ 10,241,687,318
<hr/>	
Average equalized valuation of taxable property	[A/3] \$ 3,413,895,773
<hr/>	
Debt limit (4 % of average equalization value)	[B] 136,555,831 ^a
Net bonded school debt	[C] 2,770,000
Legal debt margin	[B-C] \$ 133,785,831
<hr/>	

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit										
Total net debt applicable to limit	\$ -	\$ -	\$ 86,412,579	\$ 98,895,964	\$ 85,881,738	\$ 129,350,228	\$ 139,070,215	\$ 141,777,632	\$ 137,376,426	\$ 136,555,831
Legal debt margin	\$ -	\$ -	\$ 81,877,579	\$ 94,590,964	\$ 81,701,738	\$ 125,430,228	\$ 135,430,215	\$ 138,417,632	\$ 134,306,426	\$ 133,785,831
Total net debt applicable to the limit as a percentage of debt limit			5.25%	4.35%	4.87%	3.03%	2.62%	2.37%	2.23%	2.03%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

CLIFFSIDE PARK BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c	Personal Income ^c	
2003	22,746	\$ 1,163,048,472	51,132	51,132	6.50%
2004	22,704	\$ 1,236,505,248	54,462	54,462	5.30%
2005	22,665	\$ 1,285,241,490	56,706	56,706	4.10%
2006	22,499	\$ 1,411,002,286	62,714	62,714	4.50%
2007	22,599	\$ 1,523,037,006	67,394	67,394	4.00%
2008	22,772	\$ 1,553,665,244	68,227	68,227	5.20%
2009	22,994	\$ 1,453,174,812	63,198	63,198	9.20%
2010	23,623	\$ 1,546,975,778	65,486	65,486	9.40%
2011	23,750	Not Available	Not Available	Not Available	Not Available
2012	Not Available	Not Available	Not Available	Not Available	Not Available

Source:^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

CLIFFSIDE PARK BOARD OF EDUCATION

Principal Employers

Current Year and Ten Years Ago **

Employer	2012			2003	
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional) Percentage of Total Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED
TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO
PRIVACY CONCERNS

Source: Borough of Cliffside Park

** Data was only provided for years noted

CLIFFSIDE PARK BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction							
Regular	220	220	220	209	194	183	183
Special education	15	15	15	33	31	30	30
Support Services:							
Student & instruction related services	70	70	70	65	64	62	62
General administrative services	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7	7
Central services	6	6	6	6	6	6	6
Plant operations and maintenance	5	5	5	5	5	5	5
Pupil transportation	32	32	32	46	46	48	48
Food Service	21	21	21	22	22	22	22
Total	<u>377</u>	<u>377</u>	<u>377</u>	<u>394</u>	<u>376</u>	<u>364</u>	<u>364</u>

Source: District Personnel Records

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

CLIFFSIDE PARK BOARD OF EDUCATION
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2003	2,669.0	28,558,951	10,700	8.17%	225	1:19	1:18		2,670	2,524	1.02%	94.53%
2004	2,590.0	31,113,495	12,013	12.27%	235	1:20	1:20	1:20	2,590	2,443	-3.00%	94.32%
2005	2,558.0	32,862,188	12,847	6.94%	270	1:22	1:23	1:22	2,558	2,412	-1.24%	94.29%
2006	2,606.0	35,353,445	13,566	5.60%	276	1:22	1:24	1:22	2,606	2,448	1.88%	93.94%
2007	2,572.0	37,784,619	14,691	14.35%	243	1:22	1:24	1:22	2,573	2,419	0.59%	94.01%
2008	2,587.0	37,794,534	14,609	7.69%	238	1:22	1:24	1:22	3,596	3,367	37.99%	93.63%
2009	2,661.0	39,184,350	14,725	0.24%	242	1:22	1:24	1:22	2,622	2,468	1.90%	94.13%
2010	2,772.0	40,040,303	14,445	-1.13%	225	1:22	1:24	1:22	2,708	2,558	-24.69%	94.46%
2011	2,779.0	40,130,193	14,441	-1.93%	213	1:22	1:25	1:23	2,755	2,589	5.07%	93.97%
2012	2,810.0	40,598,752	14,448	0.02%	209	1:23	1:25	1:24	2,760	2,611	1.92%	94.60%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities

^a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS), J-12

CLIFFSIDE PARK BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Buildings</u>										
<u>Elementary</u>										
School #3										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment				275	275	224	224	266	263	328
School #4										
Square Feet	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment				300	300	273	273	299	296	496
School #5										
Square Feet	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment				125	125	138	138	156	156	203
School #6										
Square Feet	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment				371	371	286	286	289	283	346
<u>Middle School</u>										
Middle School										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment				350	350	296	296	360	354	352
<u>High School</u>										
High School										
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment				1,125	1,125	1,052	1,052	1,104	1,103	1,035
<u>Other</u>										
ELC										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment				298	298	298	298	298	323	323

Number of Schools at June 30, 2012

Elementary = 4
 Middle School = 1
 High School = 1
 Other School = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

CLIFFSIDE PARK BOARD OF EDUCATION
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ELC	N/A				77,763	74,339	37,828	22,700	12,145	16,197	-
School #3	N/A	31,611	18,716	18,458	22,000	21,031	10,702	19,563	12,355	20,446	32,232
School #4	N/A	50,051	39,825	21,050	25,250	24,138	12,282	28,542	10,499	26,764	50,494
School #5	N/A	18,440	17,150	11,315	22,500	21,509	10,945	27,190	22,897	19,497	5,940
School #6	N/A	68,491	62,325	61,100	81,000	77,434	39,403	47,885	44,939	50,709	53,910
High School	N/A	94,834	96,125	104,250	110,500	105,635	39,012	32,105	42,168	25,770	45,256
Grand Total		\$ 263,427	\$ 234,141	\$ 216,173	\$ 339,013	\$ 324,086	\$ 150,172	\$ 177,985	\$ 145,003	\$ 159,383	\$ 187,832

CLIFFSIDE PARK BOARD OF EDUCATION
Insurance Schedule
For the Fiscal Year Ended June 30, 2012
Unaudited

Company	Type of Coverage	Coverage	Deductible
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 500,000,000	\$ 5,000
	Comprehensive General Liability	50,000,000	5,000
	Comprehensive Automobile Liability	11,000,000	
	Computers and schedule equipment -		
	Data Processing Equipment	2,000,000	1,000
	School Board legal liability -		
	Professional Errors and Omissions	11,000,000	10,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Treasurer	275,000	1,000
	Position Bond - Board Secretary	50,000	1,000
	Public Employee Dishonesty with Faithful Performance	100,000	1,000
	Flood Zones, Earthquake	50,000,000	500,000
	Terrorism	1,000,000	5,000
	Pollution	250,000	

Source: District Records

SINGLE AUDIT SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Borough of Cliffside Park School District
County of Bergen, New Jersey
Cliffside Park, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen, and have issued our report thereon dated November 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board of Education of the Borough of Cliffside Park School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Cliffside Park School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Cliffside Park School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the Borough of Cliffside Park School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 16, 2012.

This report is intended solely for the information of management, the Borough of Cliffside Park Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 16, 2012

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR FEDERAL AND STATE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Education
Borough of Cliffside Park School District
County of Bergen, New Jersey
Cliffside Park, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Borough of Cliffside Park School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Cliffside Park School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Cliffside Park School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Cliffside Park School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Cliffside Park School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Cliffside Park School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the Borough of Cliffside Park School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Cliffside Park School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Cliffside Park Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 16, 2012

CLIFFSIDE PARK
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
Year ended June 30, 2012

	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO Cumulative Total Expenditures
											(Accounts Receivable)	Deferred Revenue	Due to Grants	
U.S. Department of Education														
Passed-through State Department of Education:														
General Fund:														
	84.410A		7/1/11 - 6/30/12	\$ 137.152			109,722	137,152			(27,430)		137,152	
	93.778		9/1/11-8/31/11	3,161				3,161			(3,161)		3,161	
	93.778		9/1/11 - 8/31/12	52,825			33,065	52,825			(19,760)		34,065	
	93.778		9/1/10 - 8/31/11	54,652	(32,012)		32,012						34,652	
					(32,012)		134,799	133,138			(30,351)		247,790	
Total General Fund														
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
	84.010A		9/1/11 - 8/31/12	431,092		(228,387)	497,527	549,252	62,302		(217,810)		549,252	
	84.010A		9/1/10 - 8/31/11	372,712	(228,387)	228,387							311,289	
	84.389		9/1/09 - 8/31/11	274,376	(228,387)		497,527	549,252	62,302		(217,810)		1,079,535	
	84.027		9/1/11 - 8/31/12	541,126			484,182	541,126			(16,944)		541,126	
	84.027		9/1/10 - 8/31/11	528,745	(260,463)		260,463						528,745	
	84.113		9/1/11 - 8/31/12	14,849				14,849			(14,840)		14,849	
	84.113		9/1/11 - 8/31/11	14,452	(14,452)		14,452						14,452	
	84.391		9/1/09 - 8/31/11	591,968	(81,101)		81,101						234,476	
	84.392		9/1/09 - 8/31/11	21,281	(13,598)		3,608		(10)				21,271	
					(359,614)		843,806	555,866	(10)		(71,784)		1,354,910	
	84.367A		9/1/11 - 8/31/12	73,866		(77,038)	110,404	83,771	10,119		(40,286)		83,771	
	84.367A		9/1/10 - 8/31/11	82,088	(77,038)	77,038							92,529	
					(77,038)		110,404	83,771	10,119		(40,286)		176,100	
	84.318X		9/1/10 - 8/31/11	\$65	(865)		4,638		(3,773)				5,694	
					(865)		4,638		(3,773)				5,694	
	84.365A		9/1/11 - 8/31/12	64,656		(45,413)	71,386	64,627	(4,598)		(43,162)		64,627	
	84.365A		9/1/10 - 8/31/11	52,777	(45,413)	45,413							67,888	
	84.365		9/1/10 - 8/31/11	52,777	(1,873)	5,002			(3,128)				29,651	
					(47,287)		76,386	64,627	(7,656)		(43,162)		102,166	
	84.367B		9/1/11 - 8/31/12	35,534		(16,507)	23,156	35,534			(12,378)		35,534	
	84.367B		9/1/10 - 8/31/11	33,025	(16,507)	33,125							50,803	
					(16,507)		36,281	52,152			(12,378)		86,337	
					(729,698)		1,339,044	1,305,768	61,902		(385,410)		2,864,762	
Total Special Revenue Fund														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
	10.565		7/1/11 - 6/30/11	\$ 31,486			31,486	31,486			(4,897)		31,486	
	10.553		7/1/11 - 6/30/12	106,101			101,204	106,101					106,101	
	10.553		7/1/10 - 6/30/11	447,429	(7,697)								107,459	
	10.553		7/1/11 - 6/30/12	643,216			643,216	643,216			(20,289)		643,216	
	10.553		7/1/10 - 6/30/11	601,888	(30,773)		30,773						601,888	
					(38,470)		794,083	780,803			(25,186)		1,336,118	
Total Enterprise Fund														
Total Federal Financial Assistance														
				\$ (802,180)			2,557,930	2,279,709	61,002		(460,957)		4,488,670	

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of State and Local Awards

Year ended June 30, 2012

State/Local Grantor/Program Title	Balance at June 30, 2011				Balance at June 30, 2012				MEMO						
	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	495-034-S120-078	7/1/11-6/30/12	1,407,245				1,293,565	1,407,245						*	1,407,245
Special Education Aid	495-034-S120-089	7/1/11-6/30/12	1,238,760				1,138,462	1,238,760						*	1,238,760
Security Aid	495-034-S120-084	7/1/10-6/30/11	238,233				237,325	238,233						*	238,233
Extraordinary Aid	100-034-S120-073	7/1/10-6/30/12	230,755					230,755			(230,755)			*	230,755
Extraordinary Aid	100-034-S120-073	7/1/10-6/30/11	436,967	(436,967)			436,967							*	436,967
Reimbursed TPAP Social Security	495-034-S095-002	7/1/11-6/30/12	1,313,165				1,313,165	1,313,165						*	1,313,165
Reimbursed TPAP Social Security	495-034-S095-002	7/1/10-6/30/11	1,317,473	(133,260)			133,260							*	1,317,473
On Behalf TPAP Pension - Post Retirement	495-034-S095-006	7/1/11-6/30/12	1,707,593				1,707,593	1,707,593						*	1,707,593
On Behalf TPAP NCGI Premium	495-034-S095-006	7/1/11-6/30/12	56,804				56,804	56,804						*	56,804
Total General Fund				(570,227)			6,317,141	6,212,555			(230,755)			*	7,966,995
Special Revenue Fund:														*	
Preschool Education Aid	495-034-S120-086	7/1/11-6/30/12	335,035			(12,315)	361,424	311,902				37,207		*	311,902
Preschool Education Aid	495-034-S120-086	7/1/10-6/30/11	617,240	(12,315)		12,315							19	*	587,581
N.J. Nonpublic Textbook Aid	100-034-S120-064	7/1/11-6/30/12	196				196	177					32	*	177
N.J. Nonpublic Nursing Services	100-034-S120-070	7/1/11-6/30/12	279				279	247						*	247
Total Special Revenue Fund				(12,315)			361,899	312,326				37,207	51	*	899,907
Capital Projects Fund:														*	
Boiler Replacement	SP# 0890-030-09-1001		272,048	(224,488)							(224,488)			*	224,488
Total Capital Projects Fund				(224,488)							(224,488)			*	224,488
Debt Service Fund:														*	
Debt Service Aid Type II	100-034-S120-067	7/1/11-6/30/12	4,584				4,584	4,584						*	4,584
Total Debt Service Fund							4,584	4,584						*	4,584
Enterprise Fund:														*	
National School Lunch Program (State Share)	100-010-3350-023	7/1/11-6/30/12	15,823				15,330	15,823			(493)			*	15,823
National School Lunch Program (State Share)	100-010-3350-023	7/1/10-6/30/11	14,634	(808)			808							*	14,634
National School Lunch Program (State Share)	100-010-3350-024	7/1/11-6/30/12	25,094				23,580	25,094			(1,514)			*	25,094
National School Lunch Program	100-010-3350-024	7/1/10-6/30/11	19,341	(1,135)			1,135							*	19,341
Total Enterprise Fund				(1,943)			40,853	40,917			(2,007)			*	79,610
Total State Financial Assistance				(808,973)			6,724,477	6,570,382			(457,250)	37,207	51	*	9,175,584
Local Awards:														*	
Special Revenue Fund														*	
NISBAIG Safety Grant Program 2012	7/1/11-6/30/12		23,153				21,283	21,000				283		*	21,000
NISBAIG Safety Grant Program 2011	7/1/11-6/30/12		5,000				5,000					5,000		*	
Laura Bush Foundation														*	
Total Local Awards							26,283	21,000				5,283		*	21,000
Total State/Local Financial Assistance			\$	(808,973)			6,750,760	6,591,382			(457,250)	42,490	51	*	9,196,584

See accompanying notes to schedules of expenditures of federal and state awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Education, Borough of Cliffside Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(84,475) for the general fund and \$(162,676) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$193,138	\$6,128,080	\$6,321,218
Special Revenue Fund	1,116,704	338,714	1,455,418
Debt Service Fund		4,584	4,584
Food Service Fund	<u>780,803</u>	<u>40,917</u>	<u>821,720</u>
Total Financial Awards	<u>\$2,090,645</u>	<u>\$6,512,295</u>	<u>\$8,602,940</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) identified? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) identified? yes X no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	(A)	<u>IDEA, Part B-Basic/IDEA, Part B-Preschool</u>
<u>84.010</u>	(A)	<u>Title I, Part A</u>
<u>10.553/10.555</u>	(A)	<u>National School Lunch Program/ National School Breakfast Program</u>

Note: (A) - Tested as Major Type A Program.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditor's report issued on compliance for major programs: unqualified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
495-034-5120-084/ 495-034-5120-089/ 495-034-5120-078	(A)	Security Aid Special Education Categorical Aid/Equalization Aid
495-034-5095-002	(A)	<u>Reimbursed TPAF Social Security Contribution</u>
495-034-5120-086	(A)	<u>Preschool Education Aid</u>

Note: (A) - Tested as Major Type A Program.

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None
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**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Status of Prior Year Findings

None